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# **Daily Report**

# **China**

FBIS-CHI-90-206  
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## China

FBIS-CHI-90-206

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24 October 1990

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### EC Lifting Sanctions Seen as 'Sensible'

OW2310130890 Beijing XINHUA in English  
1238 GMT 23 Oct 90

[Text] Beijing, Oct 23 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that the decision made at the meeting of EC foreign ministers in Luxembourg to restore relations with China is a sensible one.

"We welcome it," the spokesman said in response to a correspondent's request for comment on the decision.

He said "We have all along attached importance to the development of friendly relations and cooperation with the European Communities and its member states on the basis of mutual respect for sovereignty, non-interference in each other's internal affairs, equality and mutual benefit."

The spokesman said "We hold that developing this kind of relationship not only meets the interests of both China and Europe, but also contributes to the promotion of peace, stability and prosperity in the world. We hope that the two sides will make joint efforts to further improve and develop the relations between China and Europe."

### Li Peng Welcomes EC Move, Meets OAU Chief

HK2410070790 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Oct 90 p 1

("Dispatch" by reporter Sun Yi (1327 3015): "Li Peng Welcomes EC Restoration of Relations With China")

[Text] Beijing, 23 October (RENMIN RIBAO)—Premier Li Peng pointed out here today: "We have noted that the just concluded meeting of the European Community has made a decision to restore relations with China. The Chinese Government welcomes it. As I see it, restoration and development of such relations is beneficial to both sides."

Premier Li Peng made these remarks at a meeting with Salim Ahmed Salim, secretary general of the Organization of African Unity [OAU] in Zhongnanhai's Ziguang Pavilion this afternoon.

Secretary General Salim thanked the Chinese Government for inviting him. He said: African countries have persistently attached importance to relations with China. It is highly necessary to further strengthen such relations. He maintained that a strong and stable China is very important to the Third World. China is playing a role that cannot be ignored in international affairs.

After hearing Salim's briefing on the latest developments on the African continent and the OAU's work, Li Peng stated: We highly appraise the OAU's active role in promoting the cause for liberation and developing

economy in Africa and appreciate its efforts for strengthening political unity and adjusting internal conflicts on the African continent.

Li Peng said: China and the African countries have very good relations, because we have shared the same historical experiences and are facing the same task of development. For quite some time, we have sympathized with, supported, and helped each other. He believed that such relations will continue to grow.

Upon request, Premier Li Peng briefed the guest on the current domestic political and economic developments in China.

### UN Envoy Stresses Peaceful Nuclear Energy Use

OW2410014490 Beijing XINHUA in English  
0058 GMT 24 Oct 90

[Text] United Nations, October 23 (XINHUA)—China reiterated today that it pursues the policy of not advocating, encouraging or engaging in nuclear weapon proliferation and not helping other countries develop nuclear weapons.

Chinese Ambassador Hou Zhitong told the U.N. General Assembly session this afternoon that the Chinese Government supports the three major objectives set forth in the treaty on the non-proliferation of nuclear weapons (NPT), that is, preventing nuclear weapon proliferation, promoting nuclear disarmament and facilitating the peaceful use of nuclear energy.

The Chinese ambassador made the remarks when the U.N. General Assembly considered the report of the International Atomic Energy Agency (IAEA), which reviews the agency's activities during 1989 and outlines developments in the peaceful uses of nuclear energy during the past year.

He stressed that China is in favour of nuclear weapon non-proliferation, but more importantly, it advocates the complete prohibition and thorough destruction of nuclear weapons. "Only significant progress in nuclear disarmament can truly strengthen the authority of the non-proliferation regime," he said.

In the twenty years since its entry into force, the NPT treaty has produced some positive effects on the prevention of nuclear weapon proliferation, contributing to a certain degree to the maintenance of world peace and stability. The treaty reflects the just aspirations of numerous non-nuclear-weapon states, particularly the developing countries, for the complete prohibition of nuclear weapons and the birth of a nuclear-weapon-free world.

Referring to the peaceful use of nuclear energy, Hou said the development of nuclear power is the main purpose of China's nuclear industry. China has made new progress over the past year in nuclear power development. It is

expected that China's total installed nuclear power capacity would reach 6,000 megawatts by the end of the century, he said.

The Chinese ambassador hoped that the international cooperation would be further strengthened in the field of peaceful use of nuclear energy.

"China will, as always, develop cooperative relations with the International Atomic Energy Agency (IAEA) and make new contributions to the strengthening of cooperation among all countries on the basis of the principles of mutual respect for sovereignty, non-interference in each other's internal affairs, and equality and mutual benefit," he declared.

The IAEA, an intergovernmental agency, was established in 1957 with the aim to seek to accelerate and enlarge the contribution of atomic energy to peace, establish standards for nuclear safety and environmental protection and ensure that nuclear materials and equipment intended for peaceful use are not diverted to military purposes.

### **Beijing Hosts International Business Symposium**

#### **Meeting Opens 23 Oct**

*OW2310141790 Beijing XINHUA in English  
1116 GMT 23 Oct 90*

[Text] Beijing, October 23 (XINHUA)—Business leaders from 19 countries and regions and Chinese business leaders met here today at the Great Hall of the People.

The over 50 foreign businessmen and nearly 100 Chinese businessmen exchanged experiences in enterprise management and explored the possibilities for establishing joint ventures and developing economic and technical cooperation.

This was the tenth such meeting held in China. The previous symposiums have been attended by more than 800 business leaders from Western Europe, the United States and Japan, and more than 1,000 Chinese business. The symposiums have been organized by the Chinese Enterprise Management Association (CEMA) and the International Economic Forum, a Geneva-based non-profit organization which provided services to major world enterprises.

Addressing the opening session, CEMA President Yuan Baohua congratulated the symposium on its tenth anniversary.

He said that over the past ten years, Chinese and foreign business leaders have shared experience and the symposiums have enhanced mutual understanding, friendship and co-operation.

China's political and economic situation is stable, Yuan said, and there is a good social order, he stressed. No matter what happens in the world, China will in a

co-ordinated manner steadily push forward its economic and political restructuring and actively develop contacts and co-operation with the outside world.

He told the business leaders that the ten-year development program and the new Five-Year Plan, which China will soon begin, will provide impetus for China's policy of opening to the outside world, and open broad prospects for the development of friendship and co-operation with the people of other countries.

Maurice Strong, president of the World Economic Forum, praised China for the tremendous changes that have taken place over the past decade in both its economy and society as the result of the implementation of the policy of reform and opening to the outside world.

The changes, he said, have provided good opportunities and broad prospects for foreign investment in China. He also praised the Chinese Government for giving priority to protecting the environment and taking an active part in international co-operation to improve its industrial and economic efficiency.

Participants in the symposium came from Britain, the United States, Germany, Italy, Sweden, the Netherlands, Malaysia, Singapore, Hong Kong and Taiwan.

During the symposium, Chinese Government officials will be invited to address the meeting. The foreign delegation, organized by the World Economic Forum, will hold business discussions with their Chinese counterparts and explore possibilities of economic and technical co-operation, in addition to exchanging business management experience.

#### **Chen Jinhua Speaks on Policies**

*OW2310141390 Beijing XINHUA in English  
1315 GMT 23 Oct 90*

[Text] Beijing, October 3 (XINHUA)—Chen Jinhua, the newly appointed minister in charge of the State Economic Restructuring Commission, said here today that China will continue to push forward its policies of reform and opening to the outside world.

Chen said that China will advance these policies by taking down-to-earth steps and adopting measures to carry on in-depth reform on the basis of the materialization of the short-term objectives of the economic retrenchment policy.

The minister told Chinese and foreign business leaders attending the International Business Leaders Symposium, which opened here today, that China's reform and opening to the outside world has yielded tremendous results.

Chen added that although China has made great progress in displaying the role of the market mechanism, it has not solved the problem of integrating plan with the market forces, and this has resulted in some economic confusion, especially in the distribution sector.

The basic consideration in reform of the economic structure during the Eighth-Five Year Plan (1991-1995), he said, is to take a bigger step in restructuring the enterprise mechanism, the market system, and macroeconomic regulation. The main objectives are to enhance the relationship between the state and enterprises and between the central government and local governments, while continuing to give full attention to the initiatives of enterprises. Central macro-regulation must be made more scientific, authoritative and effective to improve the distortion of prices, reduce financial subsidies, break the local blockades and separation of markets, and ease the contradiction of inequality in the distribution of social wealth.

He said that China will make the reform of enterprises a central task of urban economic reform. The country will take steps to perfect the responsibility and accountability system, the system of factory directors holding sole responsibility, to make enterprises produce independently, and be responsible for their own profits and losses. Where conditions are appropriate, he said, the method of separating profits and taxes, paying debt and sign contract after tax. [sentence as received] In addition, business leaders will be appointed on a competitive basis, while workers will be under the labor contract system. At the same time the bankruptcy and shareholding systems will be introduced. Efforts will be made to encourage contracting, leasing and intergration of enterprises, and enterprise groups and economic association will be established.

Most of the commodities will be left to the market forces, with only a small amount subject to state price ceilings, Chen said. The price of industrial and agricultural products and products of the basic and processing industries, will be set at a more rational level. Price differences will be narrowed in the areas covered by the dual track system so they will better conform to the law of value.

Minister Chen said that China will continue to expand economic and technical co-operation with all countries and regions and adopt more favorable policies to encourage joint ventures, co-operative enterprises and enterprises solely-owned foreign businesses.

#### Jiang Meets IEC President

OW2310172890 Beijing XINHUA in English  
1600 GMT 23 Oct 90

[Text] Beijing, October 23 (XINHUA)—The adoption of the international standards has effectively promoted China's electrotechnical industry, said Jiang Zemin, general secretary of the Chinese Communist Party, here today.

He said this in his meeting with Richard E. Brett, president of the International Electrotechnical Commission (IEC) and Roy Phillips, president of the International Standards Organization (ISO), both of whom were here for attending the meeting to mark "World Standards Day."

Jiang expressed his welcome to the guests, saying that China attaches great importance to the utilization of world standards.

During the meeting, Brett said that they have witnessed that China's electrical-electrons' industry is developing quickly and is full of vitality.

He said that China's devotion to adopt world standards will surely yield it a tremendous strategic advantage.

Brett also expressed his satisfaction over and his appreciation for all that their Chinese hosts have done for them during their visit.

Jiang suggested that the guests visit other parts of China and have a look for around themselves. [sentence as received] He said that "we have achieved a lot, but there are still some shortcomings. You praise our achievements, but we also hope to hear some of your suggestions and criticisms."

Also present at the meeting was Song Jian, the Chinese state councillor and minister in charge of the State Commission of Science and Technology.

#### Commentary Condemns Japan's Recent 'Militarism'

HK2410131690 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0930 GMT 24 Oct 90

[Commentary by Gan Cheng (3927 2110): "The Storm over Diaoyutai Island"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 24 Oct (ZHONGGUO TONGXUN SHE)—The issue of sovereignty over the Diaoyutai Islands, which lay silent for 20 years, has recently flared up again. The cause: The "Japanese Youths' Association," which the Japanese government admitted is tinged with militarism, has planted a lighthouse on the islands as an official navigation signal, apparently with which to mark out the Islands as a Japanese territory. This is a brazen invasion of Chinese territory.

On 21 October, Japan sent more than 10 vessels and, supported by military planes, forcefully stopped the Taiwan Regional Athletes Association's boats bound for the islands to plant a holy torch. This has further showed that Japan is willing to resort to military means to forcibly occupy the Diaoyutai Islands.

To protest against Japan's sinister move, the Chinese government and Taiwan authorities have separately lodged protests to the Japanese government. The Chinese Foreign Ministry spokesman declared: "The Diaoyutai Islands are China's native territory" and strongly demanded that the Japanese government "immediately stop all violations of China's sovereignty over the islands and in the neighboring waters." Taiwan has also stated: "The infringement on the territory is not to be tolerated" and "necessary moves will be taken to defend territorial sovereignty."

The Diaoyutai Islands have always been part of China's territory. Many of the Ming and Qing Dynasties' historical documents recorded the situation under which the islands came under China's sovereignty, but that will not be repeated here. After the Sino-Japanese War of 1894-1895, the Qing Dynasty signed the Treaty of Shimonoseki with Japan. Under the treaty, Taiwan and the outlying islands around it were ceded to Japan, and it was under this condition that the Diaoyutai Islands were occupied by Japan. After the Second World War, Taiwan was returned to China, but the Diaoyutai Islands were illicitly given to Japan by the United States. In 1972, the Chinese government issued a statement condemning the United States' and Japan's act as a "brazen infringement of China's territorial sovereignty."

In 1972, relations between China and Japan were normalized. In 1978 China and Japan established a peaceful and friendly treaty in which both sides agreed to temporarily shelve the Diaoyutai issue and postponed its settlement. China's stand was that both China and Japan should attach more importance to the generations of friendship between the people of the two countries and should not take any unilateral move concerning the sovereignty over the Diaoyutai Islands.

Japan recently has taken some moves, however, in connection with the islands. First, a right-wing organization built a lighthouse, which the Japanese government later examined and approved, all in an attempt to create a "fait accompli" that the islands are Japan's territory. Then Japan went to the extent of deploying armed vessels and planes to forcibly intercept and repel, in Diaoyutai waters, Taiwan vessels. This has further exposed its ambition to forcibly occupy the islands, and has again angered the Chinese in Hong Kong and Taiwan, which stands to reason. The patriotism of the masses deserve to be recognized, defended, and commended.

If we link the storm over the Diaoyutai Islands with some of the recent uncharacteristic moves within Japan, we will be alarmed at the resurgence of the ghost of Japanese militarism looking for a chance to flex its muscle. Japan's barbaric performance in the current Diaoyutai Islands incident is in fact the work of that ghost. Can the people of Asian countries (including Chinese and Japanese) who as its one-time victims are still in pain, afford to relax?

The Chinese government has always advocated settling international disputes through diplomatic channels. The Taiwan authorities have also stated their hope of resolving the sovereignty issue over the Diaoyutai Islands in a peaceful way. Faced with the challenge of Japan's new militarism, coordination between the two shores against Japan and a joint defense for national sovereignty, has become an inevitable topic for the two shores. Blood is thicker than water. We as a member and descendent of the Chinese race should also remind ourselves of the great national cause, take a broad view, stage our calls and fight in a rational manner, and thus

add positive factors for a peaceful settlement of the issue and the defense of the sovereignty over the Diaoyutai Islands.

#### **Article Views Outcome of Helsinki Summit**

*HK2110084490 Beijing SHIJIE ZHISHI in Chinese No 19, 1 Oct 90 pp 2-3*

[Article by Xin Peihe (2946 3099 0678): "What Does the Helsinki U.S.-Soviet Summit Show?"]

[Text] U.S. President Bush met with Soviet President Gorbachev on 9 September in Helsinki. Compared with previous U.S.-Soviet summits, the current summit was the shortest, only one day, and the topic most centralized, the Gulf crisis. As the summit was held against the background of the old international structure being replaced by a new one, a realignment of various forces, relaxation and continuous development between the East and West, and increasing unstable and indefinite factors in the world, its significance and influence merit earnest study and consideration. This article intends to stress the following two points.

**First, the summit itself, its results, and the situation and development after the summit, show that the trend of seeking a political solution to the Gulf crisis has further developed. Although the possibility of military settlement cannot be ruled out, the real danger of the outbreak of war within a period has minimized somewhat.** The reason is: First, the joint statement of the U.S.-Soviet summit and speeches by Bush and Gorbachev at the joint press conference show that despite the differences between the two leaders, both the United States and the Soviet Union regard strict, resolute, and staunch implementation of all resolutions adopted by UN Security Council and peaceful settlement of the Gulf crisis as the target of their current policies. Viewed from the practical results, U.S.-Soviet mutual cooperation and unanimity on the Gulf crisis have increased pressure on Iraq, urging it to consider the universal demand of the international community. Second, U.S. authorities and public opinion have maintained political settlement of the crisis through further economic sanctions and diplomatic efforts. Bush and Baker also urged the public to be psychologically prepared for a long-term endurance. While giving testimony at the House of Representatives Foreign Affairs Committee on 4 September, Baker said: "Our efforts require time. This is the main thing we have asked for from the American people. With resoluteness, patience, and unity, we can prove that the aggressors will come to no good end." In a word, after weighing the pros and cons, it seems that the United States has decided not to act alone on the Gulf crisis. In its "Editor's note," U.S. periodical DIPLOMACY clearly indicated in this year's autumn issue that one of the conclusions drawn from the crisis is that "No matter how powerful the United States is, it will not take independent action." Third, having difficulty supporting its current military action alone, the United States even had to ask for aid of approximately \$20 billion from West Europe, Japan, and several

Gulf states. Its action, consequently, will inevitably be greatly restrained by various parties. Fourth, with the enhancement of the military deployment of the United States, West Europe, Egypt, Syria, and some Arab nations, the military situation of Iraq will be more unfavorable, diminishing its possibility of evoking provocations. Viewed from the reaction of the U.S. Congress, the conference of NATO foreign ministers, and the Arab World following the summit, striving for political settlement of the Gulf crisis has become the main trend today.

The United States, moreover, has taken into account the establishment of an effective security structure in the Gulf and Middle East once the current Gulf crisis is settled so as to avoid repetition of a similar crisis in the future. While giving testimony at the Senate Foreign Affairs Committee on 5 September, Baker said: "In my opinion, we should start considering f the establishment of a regional security structure to ensure balance of forces and establishment of a peace environment in the region." This idea was also reflected in the joint statement of the U.S.-Soviet summit. Once the target of the UN Security Council resolutions is attained, the statement said, the foreign ministers of both the United States and the Soviet Union will make efforts together with the countries within and outside the region "to improve the regional security structure and work out measures for peace and stability..."

Despite all this, the possibility of further deterioration of the Gulf crisis and an outbreak of war still exists. The United States has deployed 150,000 troops, 600 airplanes, and some 50 naval vessels. The deployment, moreover, is still underway. This is not merely a show of force. It seems that the United States is determined to resort to force s out of absolute necessity. Meanwhile, it is still difficult to find room for compromise between the target of the UN Security Council resolutions and Iraq's basic position. If further economic sanctions and other diplomatic efforts prove ineffective, it will be hard to rule out the possibility of force taken by the United States after gaining understanding of the Soviet Union at the Helsinki summit.

**Second, following the summit, the United States and the Soviet Union declared that they have started establishing "new partnership relations" and are carrying out "new cooperation."** On this basis, some Western media s says that the United States and the Soviet Union are considering the establishment of a "new world order."

While giving an important speech at the joint conference of the U.S. Congress on the Gulf crisis and U.S.-Soviet summit on the evening of 11 September, Bush said explicitly that the Helsinki summit was "very fruitful" and that "the new partnership relations have already started" between the United States and the Soviet Union. Upon his return to Moscow, Gorbachev also said that "the current summit has opened up a way for a new form of cooperation and further trust" and "we have actually entered a new era." During Gorbachev's meeting with Baker on the evening of 13 September, they

jointly pointed out: "U.S.-Soviet cooperation will be greatly conducive to the founding role of the United Nations. In this regard, there is also the possibility of establishing a new world order." White House spokesman Fitzwater told reporters after the summit: "The new world order is now being established with the preparatory work being started in Helsinki." The comments of some Western newspapers said that the new world order refers to effective observation of the UN Charter and the International Law, while U.S.-Soviet cooperation or the new U.S.-Soviet partnership relations refer to the foundation of this new order.

What, then, are the characteristics of the new U.S.-Soviet partnership relations?

First, the foundation of the new partnership relations lies in the domestic changes within the Soviet Union which conform to the interests of the United States. On a series of important issues such as the Intermediate-Range Nuclear Forces Treaty [INF], the withdrawal of Soviet troops from Afghanistan, the drastic changes in East Europe, the disintegration of the Warsaw Treaty Organization [WTO], general elections in Nicaragua, and German unification over the years, the Soviet Union has indicated that it no longer constitutes a great threat to the United States. Both sides have taken a cooperative attitude on some international issues and and this attitude is seen particularly on the current Gulf crisis where the position of both the United States and the Soviet Union is almost identical. "Since the end of World War II, this is the first time that the United States and the Soviet Union have taken an identical position on a regional conflict." (ASSOCIATED PRESS) Bush believed that this "released clear information to the whole world," that is, "it has lifted the curtain on the era of cooperation between the superpowers."

Second, the two parties involved in the new partnership relations are not in a position of a balance of forces. The reaction and role of the United States since the Gulf crisis and the current summit show that compared with the Soviet Union, the United States has taken the initiative and played a leading role. As said by some U.S. experts: "Bush has vigorously joined the one-day summit" while "the Soviet Union has for the first time played a secondary role in the Middle East crisis."

Third, although the Soviet Union is faced with enormous difficulties, its significance and role in the international arena must not be underestimated. The significance of the Soviet Union in the international arena undoubtedly lies first in its terrifyingly huge military strength and then in its large territory stretching from Europe to Asia, its important geographical position, extensive international ties, and special position in the United Nations. All these factors enable the Soviet Union to become a superpower matching the superpower status of the United States. The Gulf crisis shows that in handling the new international crises following the end of the cold war, the United States must rely on the Soviet Union for support rather than exclude it.

Fourth, the new partnership relations cannot eliminate the difference between the United States and the Soviet Union in many fields and the no-confidence and misgivings actuated by their respective interests, geopolitics, and long-term confrontation. Although both the United States and Soviet Union have stressed "mutual understanding" and "cooperation" at the present stage, there are complicated, subtle struggles between themselves worldwide. Not long ago, the U.S. NEW YORK TIMES pointed out straightforwardly: "Although people are talking glibly about cooperation between Moscow and the United States," "this cannot conceal their rivalry for economic and political influence worldwide."

Fifth, the new partnership relations have brought indefinite factors. The changes in the Soviet Union's domestic situation are still the biggest unknown factors here. To strive for stability of the Soviet Union's domestic situation and ensure reliability of the new partnership relations, Bush changed his ambiguous attitude at the Group of 7 summit. He decided to offer economic and technological aid to the Soviet Union and indicated that he would "offer the closest cooperation." After the summit, Baker and U.S. secretary of commerce immediately rushed to Moscow to join the presidential economic and trade delegation, which included 15 American business tycoons, to hold talks with the Soviet Union and realize the understanding reached between the two presidents at the summit.

The U.S. side, which is aggressive in the current "new partnership relations", also cannot conceal its difficulties. The impact of the serious domestic economic difficulties on U.S. diplomatic policies particularly should not be ignored. U.S. economic strength has relatively declined recently, affecting the ability of the United States to meddle in world affairs. To make up for the huge military spending in the Gulf crisis, the United States had to seek aid from all sides. West German newspapers even mocked that the United States will be close to "the dangerous position of mercenary troops." Under such circumstances, it will be impossible for the United States to "play a certain leading role" though it wants very much to do so. When the actual strength and influence of the two superpowers are relatively declining and the world is advancing toward multipolarization, the development of U.S.-Soviet relations is still an important issue of common concern to the international community.

#### **France's Gestures In Gulf Crisis Viewed**

HK2110010090 Beijing SHIJIE ZHISHI in Chinese  
No 19, 1 Oct 90 pp 7-8

[Article by Yi Li (2011 7812): "France Is Playing A Special Card"—first paragraph is SHIJIE ZHISHI abstract]

[Text] Out of consideration for its long-term strategic interests, oil supply, and French-Iraqi relations, France sent warships and troops to the Gulf while maintaining a distance from the U.S. policy.

Faced with the Gulf crisis, France, following the United States, also took rapid action: It vehemently condemned Iraq's invasion of Kuwait, demanding the unconditional withdrawal of troops by Iraq and restoration of the legitimate Kuwaiti government; froze Iraqi and Kuwaiti assets in France; declared an arms embargo against Iraq; voted for the U.N. Security Council resolutions on the settlement of the Iraqi-Kuwaiti clash; and later pushed the EEC to pass the decision to impose sanctions on Iraq and proposed the calling of a special West European Union meeting, which passed its first resolution on military involvement in the Gulf. As the tension escalated, France also quickly made some military gestures: On 8 August, President Mitterrand declared their decision to build up France's military presence in the Middle East. On 13 August, a French carrier task force set sail toward the Gulf. Afterwards, France sent military instructors and gunship helicopters to Saudi Arabia, and a surface-to-air short-range missile group and two surface-to-air medium-range missile groups to the United Arab Emirates. So far, 9,000 French soldiers and 12 warships including the carrier "Clemenceau" have taken their places in Djibouti, Saudi Arabia, the United Arab Emirates, and the Indian Ocean, awaiting orders to plunge into military operations named "Aftermast [hou wei 0683 2712]" and "Salamander [rong yuan (STC for these two words not found)]." Though not as massive as its U.S. counterpart, this force is stronger than that sent by any other country. Besides, France's home-based carrier "Foch" and part of its land and air forces are also "on standby." They can go into immediate action at the order of the president of the republic.

What merits special attention, however, is that while taking the above measures in cooperation with its allies, France has maintained a distance from the United States deliberately. France made it clear that invasion should not be allowed to succeed but "dialogue on the basis of violence" was not a good idea either, and the Gulf crisis should be settled within the Arab world. Meanwhile, France also declared that it would not join the U.S.-led multinational forces and its troops stationed in the Gulf and their tasks were for defense purposes, not controlled or commanded by any other country. Once, France was even openly against the sea blockade against Iraq by the United States, arguing that "blockade" meant war. The media believe that the above gestures made by France show that it is playing a special card, that is, while condemning Saddam and keeping some military pressure on the latter, it wants the Arab states to believe that in the West, there exists another policy besides the American one.

As analyzed by the media, the major reasons for France to keep a distance from the United States while cooperating with the latter are as follows:

1. This is a result of consideration for its long-term strategic interests in the Middle East. The Middle East is situated at the juncture of Europe, Asia, the Mediterranean, and the Indian Ocean, flanking Europe. As far as its strategic significance to France is concerned, the

Middle East is second only to Africa. For a long time, from the conflict between the Arab states and Israel, through the Lebanese civil war, to the Iran-Iraq war, any disturbance in this region, whatever the scale, has never failed to affect France. And France has never stopped interfering in its own way. This time, seeing hordes of U.S. troops bearing down on the Gulf and the United States and Soviet Union joining hands in handling the Gulf crisis, France started to worry that its status as a "political power" would be undermined. Therefore, France took a tough stand against Iraq on the one hand and, on the other, kept a distance from the United States and made great efforts to bring into play the role of the EEC and the West European Union, reminding the United States that Europe also has a say in the Middle East, so as to deter the superpowers from arrogating the right to handle Middle East affairs and give prominence to the role of France.

2. France worries that the U.S. military involvement will bring about a clash between the West and the Arab states, which would take away from France's status and influence in the Middle East. It also worries the French that another war in the Middle East would be detrimental to France's economic interests in the Middle East countries. France has large investments not only in Iraq but also in other Middle East countries such as Saudi Arabia, the United Arab Emirates and Iran, and there are many trade agreements between them. Therefore, while maintaining the military pressure, France is active in diplomatic mediation, seeking a nonmilitary solution. Besides sending Foreign Minister Dumas to Moscow to negotiate with the Soviet Union, the French President also sent 12 special envoys to 24 countries, mainly Arab ones, who explained France's stand on the one hand and listened to the opinions of these countries on the other, to show France's respect for them and leave ample space for future mediation.

3. What France has been doing this time is to show the continuity of its policy independent of the United States. Starting from the days of the Fifth Republic, France has always stuck to the policy of staying out of the control of the United States. Since De Gaulle decided to withdraw from the NATO's integrated military command, all French governments, be it right-wing or left-wing, have given prominence to France's independence from the United States.

4. What France has been doing this time leaves some room for maneuver in its policy toward Iraq. Though French-Iraqi relations are not always smooth-sailing, yet all French governments, especially during D'Estaing's term of presidency, have maintained special friendly ties with Iraq. For more than 10 years, the French-Iraqi relations have all along been regarded as one of the focal points in France's Middle East policy. In the eight-year-long Iran-Iraq war, France obviously took sides with Iraq, providing it with enormous amounts of economic and military aid and becoming its arms supplier second only to the Soviet Union. France also helped Iraq build its first nuclear reactor and supplied advanced

weapons and equipment such as "Super Etendard" and "Exocet" missiles. Iraq still owes France 5 billion U.S. dollars. The media have noticed that even when Iraq used chemical weapons against the Kurds in its own territory, France did not make a strong response, for fear of impairing bilateral relations. With these political and economic interests in Iraq, France has to think twice before doing anything.

5. The Middle East is an important oil supplier of France. With the development and utilization of nuclear power and other new forms of energy, France's dependence on the oil from the Middle East has dropped from 45 percent in the 1970's to under 20 percent today. Nevertheless, the Middle East remains an important energy base for France. Any major crisis in this region would bring an oil crisis to France and go on to affect the entire national economy of France.

Recently, France's attitude toward Iraq has further hardened. That Iraq forcefully closed foreign embassies in Kuwait and held hostage the Westerners who were staying there enraged the French government and public. Mitterrand said things like "We are now in the logic of war," and "embargo without sanctions is but a name." The French government has allowed, through a special session of the Parliament, its army to use coercive measures and means when enforcing the embargo. The French Foreign Minister claimed that "the Gulf crisis is now at a stage when the real thing is necessary." He called for further embargo against Iraq, spread the word that the embargo would be extended to land and air, and said that France would not avoid military confrontations. At the special session of the Parliament, French Prime Minister Rocard also said that when no alternatives are to be found, "France will not avoid the use of force." The presidential office spokesman declared that France was planning to send a quick response force to Saudi Arabia.

To sum up, in this complicated crisis, France has been trying its best to put itself in a favorable position in all circumstances. This is France's choice in handling Gulf affairs.

#### Effects of Gulf Crisis on Guangzhou Fair

HK2310014490 Beijing CHINA DAILY in English  
23 Oct 90 p 2

[By staff reporters Huang Xiang and Zheng Caixiong]

[Text] Guangzhou—The 68th Chinese Export Commodities Fair has reported fewer transactions and a lower turnout of foreign traders during the first half of the 15-day trade event which opened here on October 15.

The total value of contracts signed by Saturday stood at \$1.58 billion, down \$270 million from the same period at the spring session in April, China Daily learned yesterday.

Fair organizers blamed the current Gulf crisis for the marked drop in deals at the nation's largest trading event.

"The Gulf crisis has resulted in lower attendance figures for foreign business people, which has in turn affected business volume," a fair official said.

By Saturday, around 25,270 overseas traders had turned up for the fair, representing a 2 percent drop from the spring event.

The number of traders from the Middle East fell considerably. But exact figures were not available.

"The Middle East nations have been important trade partners at previous fairs. Their lower attendance at the autumn fair has affected business from almost every Chinese trading group here," the official told China Daily.

China's exporters fall into 19 trading groups including electronics, machinery, textiles, silk, instruments and native products.

Textile exporters led others at the fair after signing \$456 million worth of contracts by Saturday, although the figure represented a slight drop from the spring fair.

Leading textile officials said that, apart from fewer traders, poor quality was the most important reason for the drop in business volume.

Silk companies were second with business volume of \$137 million, followed by firms in light industry, electronics, cereals, oils and grain.

China's instrument traders were at the bottom of the list by Saturday. One trader in the field explained that most foreign traders at the fair were only interested in China's primary goods, rather than high-tech ones which made up the bulk of the trading group.

The top 12 areas in export deals were the cities of Beijing and Tianjin, Hebei and Liaoning provinces, Shanghai, and Jiangxi, Zhejiang, Fujian, Shandong, Hubei, Guangdong and Sichuan provinces.

Trading in electronic products had been brisk in the first week of the ongoing Guangzhou Autumn Trade Fair, an official from the electronic trade delegation said yesterday.

#### **Commentary Views North-South Economic Relations**

*OW2110003090 Beijing Domestic Service  
in Mandarin 0530 GMT 17 Oct 90*

[Text] In the world today, the South is poor and the North is rich. The poor countries are becoming poorer and the rich countries are becoming richer because the economic gap between them is getting wider. There is no progress in their dialogue. This is the grave reality of North-South relations.

The South refers to developing countries and the North, industrially developed countries. The conflicts between the North and the South, which have occurred for a long time, are worsening. Take the economic growth rate of the 1980s as an example, except for the regions in East Asia and Southeast Asia, other Asian, African, and Latin American countries of the South experienced a lower rate than those in the 1960s and 1970s. The phenomenon is called a lost decade.

Countries in the North, however, since recovering from the 1982 recession, have enjoyed a growing economy. In terms of per-capita national income, the North enjoyed an increase of about 40 percent in 1987 over 1980, amounting to \$14,580. Meanwhile, the South only scores less than six percent, amounting to \$720. The difference is 20 times between the two. In terms of the annual average inflation rate in the 1980s, it was around 30 percent for the South and only five percent for the North.

Therefore, it is obvious that although the North and the South share the same planet, they are completely different worlds. The causes for this huge gap can be traced far back to their origins. But the problems of debt and trade are obviously direct factors. In the 1980s, the debts owed by the South were increasing each year, amounting to \$1,300 billion. The commercial loan interest rates of the North are still high, making the South worry about the endless debts all year round. They are forced to return their hard-earned capital to the financial markets of the North. Starting in 1984, capital began to flow back to the North from the South.

As far as trade is concerned, the prices for primary commodities are falling about 1.37 percent each year. Presently, most of the prices of primary commodities are lower than the 1980s' level. On the contrary, the prices for industrial products are increasing an average of 4.11 percent each year. This is the so-called "scissors" difference. Countries of the South, which export primary commodities and import industrial goods, are certainly in a very unfavorable position. Meanwhile, countries of the North, which export industrial goods and technology, enjoy very favorable advantages.

Some countries in the North also establish various non-tariff barriers, making it difficult for the commodities from the South to enter the markets of the North. All these problems prove that North-South relations are abnormal and unreasonable. The North holds the major responsibility for this situation. If the situation continues, the economy of the South will worsen. In turn, it will hinder sustained economic growth in the world, including that of the North. It will even become a potential threat to the political environment of the world. Therefore, both the North and the South should cooperate with each other and take active and forceful measures to solve this extremely severe issue in the relations between the North and the South.

At present, regional contacts and dialogues are being conducted between the North and the South. However,

owing to the passive attitude adopted by the North, the world-scale dialogue between the North and the South is bogged down. The South demands changes in the international economic order, which is only favorable to the North, in order to fundamentally improve North-South relations. But some countries in the North blame the stagnant economy on the domestic policies of countries in the South.

Facts have proved that the deterioration of the external economic environment is a major obstacle to the economic development of most countries in the South. To eliminate this obstacle, the North should bear its inescapable responsibility.

**Economic Readjustments of Asian Nations Viewed**  
*HK2310070990 Beijing RENMIN RIBAO in Chinese*  
*18 Oct 90 p 7*

[Article by staff reporter Li Hong (2621 4767): "The Trend of the Economic Readjustments of 'Four Little Dragons' and the ASEAN countries"]

[Text] Some economic specialists and scholars of our country recently held a discussion meeting in Fuzhou on the economic readjustments of and prospects for the "four little dragons" of Asia and the ASEAN countries. At the meeting, about 50 representatives from the research units of all places stated their views or submitted treatises on relevant problems.

This discussion meeting was jointly sponsored by the Institute of Asian and Pacific Studies of the Chinese Academy of Social Sciences, the Institute of Asian and Pacific Studies of the Fujian Academy of Social Sciences, and the Institute of World Economics of Jiangsu Academy of Social Sciences. The specialists maintained: Although the Gulf crisis now exists, detente in the Asia-Pacific region is continuing, military confrontation between powers is subsiding, and the competition for comprehensive national strength is being strengthened. Although the Asia-Pacific region's economic growth has slowed in recent years, it is still a region with the greatest vitality for economic development in the world.

The economies of Asia's "four little dragons" (namely Singapore, South Korea, Taiwan of our country, and Hong Kong) have developed comparatively quickly since the middle of the 1980's. They are now confronted internationally with competition and pressure of developed capitalist countries and internally with shortage of labor forces on the market and under the new environmental conditions, are, therefore, readjusting their strategy for economic development. They have first carried out the readjustment of their economic structure and industry mix. Singapore has mainly developed the electronics industry, bioengineering, and industries that require advanced science and technology and produce high added value. South Korea has exerted efforts to render its industry mix high-class. Taiwan has placed

emphasis on the development of capital- and technology-intensive industries. With a view to achieving the readjustment and upgrade of their industry mix, they have attached importance to investment and application of science and technology, striven for diversification on the export market, further absorbed foreign capital, and exported capital.

In the new situation, the ASEAN countries have also readjusted their strategy for economic development. 1) They strive to develop industrialization, develop the processing industries with labor-intensive industry as the main aspect, and continue to pursue an export-oriented economic strategy. 2) They make efforts to absorb foreign capital and to import foreign technology. 3) They strengthen ASEAN internal unity and cooperation and exert joint efforts to develop economic relations and cooperation with foreign countries.

As to economic cooperation in the Asia-Pacific region, the scholars maintained that people should feel happy that regional cooperation is developing, trade and investments in the region are growing, and a dynamic multi-level nongovernmental regional work-divided and economically cooperative organ is passing to a governmental organ. It must be pointed out, however, that Asian-Pacific economic cooperation is incomplete without Chinese participating. Japan has played a fairly large part in the economic development of the Asia-Pacific region. As a political entity, the ASEAN countries do not permit powers' control and this shows that the developing countries safeguard their own interests.

The specialists held that the Gulf crisis is not economically advantageous but rather economically disadvantageous to the Asia-Pacific region. Owing to the Gulf crisis, petroleum prices have been raised by a big margin, the costs of products have risen, and prices have fluctuated upward. Together with the other reasons, economic development has slowed down. Only Indonesia and Malaysia, two petroleum exporting countries, can profit from petroleum price rise. The Philippines and South Korea have suffered the strongest impact of the Gulf crisis. To diminish the unfavorable influence on their economy as a result of petroleum price rises, these countries and region have adopted the policies of readjustment, including the policies of constricting the money supply, increasing loans, and reducing the exchange rate. If the Gulf crisis goes on, the economic deterioration of the western powers will surely produce unfavorable effects on the economy of the "four little dragons" and the ASEAN countries because the latter countries and region mostly regard export as the pillar of their export-oriented economy and the western powers are just the regions to which the latter mainly export their products. The Gulf crisis will also make the interest rate rise and debts increase.

**United States & Canada****NPC Official Meets Delegation From Iowa**

*OW2410083390 Beijing XINHUA in English  
0808 GMT 24 Oct 90*

[Text] Beijing, October 24 (XINHUA)—Seypidin Aze, vice chairman of the Chinese National People's Congress (NPC) Standing committee, met with a good-will delegation from Iowa of the United States, led by Jean Kaung, chairman of the Iowa-Hebei Sister Committee, here this morning.

Iowa state and China's Hebei Province established sisterly relationship in 1983. The delegation is here to explore possibilities of exchanges and cooperation in the fields of education and science and technology with Hebei Province.

**Atlantic Council Delegation Visits Guangdong**

*HK2310094190 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 18 Oct 90*

[Text] Governor Ye Xuanping met with the U.S. Atlantic Council delegation headed by the council's Chairwoman Madam (Liqiwei) at the China Hotel yesterday evening. He told them Guangdong boundlessly welcomes foreign businessmen to make investments and run enterprises whether they want to cooperate with us or do business on their own, with the latter being particularly appreciated.

The U.S. Atlantic Council is a famous research institute mainly engaged in research on international strategy, and foreign, economic, and trade policies.

Madam (Liqiwei) and her party came to China for a visit at the invitation of the Beijing International Strategy Society and arrived in Guangzhou by plane from Shanghai yesterday morning. Yesterday afternoon the visiting guests held talks with responsible members from provincial economics, trade, and finance departments.

**Soviet Union****Qiao Shi Meets Supreme Court Delegation**

*OW2410121190 Beijing XINHUA in English  
1144 GMT 24 Oct 90*

[Text] Beijing, October 24 (XINHUA)—Qiao Shi, a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, met a delegation from the Supreme Court of the Soviet Union here this afternoon.

Qiao told V.O. Suokalo, first deputy chairman of the Supreme Court of the Soviet Union and head of the delegation, that China will continue to improve its socialist legal system through practice and exploration although it has made great progress in the field in the past decade.

He said in doing so, China will strictly act according to its actual conditions, while drawing on foreign experience.

Qiao and Suokalo expressed their desire to strengthen exchanges and cooperation between the two countries in the field.

Suokalo said achievements in economic restructuring should be consolidated through the improvement of legal system and China has achieved great success in this aspect.

The visitors came here on October 18 at the invitation of China's Supreme People's Court and have visited Shanghai and Guangdong Province. They are scheduled to leave for home tomorrow.

**Heilongjiang Vice Governor Meets Delegation**

*SK2310115090 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 22 Oct 90*

[Text] On the morning of 22 October, Vice Governor Du Xianzhong met with the Jewish Autonomous Oblast Soviet Executive Committee delegation of the RSFSR led by (Kaufman). On behalf of the provincial government, Vice Governor Du Xianzhong extended warm welcome to the delegation for its visit in the province. He said happily: Over the past two years, Heilongjiang Province and the Jewish Autonomous Oblast Soviet executive committee have done much work to promote cooperation between the two sides and have achieved gratifying success.

Delegation Leader (Kaufman) said: I am very happy to establish economic and trade relations with Heilongjiang Province.

The delegation arrived in Jiamusi at the invitation of the Jiamusi City government on 15 October. It held talks with substantial content with the Jiamusi City government and concluded agreements in the economic, trade and cultural fields. This has opened up a path for further cooperation between both sides.

Also present at the meeting were Wang Yaochen, president of the provincial branch of the China-USSR Friendship Association and director of the provincial Foreign Affairs Office, and five members of the Jewish Autonomous Oblast Soviet Executive Committee delegation. The host and the guests took a group photo to mark the occasion. The meeting proceeded in a friendly atmosphere.

**Heilongjiang Trade With Soviet Union Reported**

*SK2210094790 Harbin HEILONGJIANG RIBAO in Chinese 19 Sep 90 p 1*

[Report by Reporter Sun Yan (1327 1484)]

[Summary] By the end of August, Heilongjiang Province signed trade contracts with the Soviet Union, which are worth 1,120,880,000 Swiss francs, a 30.22 percent

increase over the same period of 1989. The volume of delivered commodities was worth 276,19 million Swiss francs, a 13.37 percent increase over the same period of 1989. The province signed contracts for 101 items of economic and technical cooperation with the Soviet Union, which are worth 380 million Swiss francs. The number of engineers, technicians, and laborers who were dispatched to the Soviet Union during the period reached more than 6,000, greatly surpassing the figure in the same period of 1989.

According to the report given by the authorized personage of trade circles, since the restoration of trade with the Soviet Union in October 1982, Heilongjiang Province's yearly average increase in exports has reached 87.8 percent. Trade development has, to date, revealed the following three characteristics: 1) The variety of exported and imported commodities and the number of trade partners have increased. 2) The trade fields have been expanded and the economic and technical cooperation has achieved rapid development. 3) The trading style has become lively and the trading level has been gradually upgraded.

### Technical Exchange Delegation Visits Jilin

SK2210040590 Changchun Jilin Provincial Service  
in Mandarin 2200 GMT 21 Oct 90

[Text] On the evening of 21 October at Nanhu Guesthouse, Zhang Yueqi, vice governor of Jilin Province, met with a (?technical exchange) delegation from the Soviet Union. Headed by (Sidaninkrav Sadnovich), chief of the Technical Main Administration under the Ministry of the Electronics Industry in the Soviet Union, the four-member delegation arrived in Changchun on the morning of 21 October. This delegation's visit to Jilin Province is primarily devoted to conducting technical exchanges and holding talks over on matters relating to technical export.

Zhang Yueqi, vice governor of the province, extended a welcome to the delegation for its visit to the province. He expressed hope that through the current visit of this delegation, technical exchanges and technical export between the two sides will witness practical progress.

Also attending the reception were responsible comrades of Changchun City, the provincial foreign affairs office, and the provincial scientific and technological association.

### Barter Trade To Continue 'Couple of Years'

HK2310014290 Beijing CHINA DAILY in English  
23 Oct 90 p 2

[By staff reporter Xu Yuanchao]

[Text] China will continue to do barter trade with the Soviet Union for a couple of years after the country begins to change its trading system from barter to cash next year, a Chinese trade official said in Beijing.

The Chinese government will adopt a variety of forms in its trade with the Soviet Union as the two countries start to use hard currency to buy each other's products, according to Liu Zepu, director of the First Department for Regional Affairs under the Ministry of Foreign Economic Relations and Trade (Mofert).

He told CHINA DAILY that the diversified trading system would include barter, border, entrepot and compensation trades, the import of technology, joint ventures, co-operative production, processing of imported materials, and labour services.

"Cash deals will be faster and more efficient, but I don't think the Soviets will use such deals so much because they account for only one third of total Soviet trade," he said.

He said that there was currently a surplus on barter trade with the Soviet Union, and that China would try to restrict exports to the country to balance the trade.

Last year trade between the two countries hit \$3.57 billion, a 30 percent increase on 1988. However, this figure accounted for only 3.2 percent of China's foreign trade and 1.5 percent of total Soviet trade.

Liu admitted that Sino-Soviet trade would fall slightly when the two countries began trading in cash.

"We need a period of time to change from barter to cash. But we are not certain how long it will take," another trade official said.

From a long-term point of view, Sino-Soviet trade had "broad prospects," Liu said, because the economies and resources of the two countries were complementary in many respects.

He said that in order to prevent a sharp reduction in bilateral trade, the two countries needed a "spirit of exploration" to find out more about each other's economic systems.

The Soviet Union is now China's fifth largest trade partner after Hong Kong and Macao, Japan, the United States and Germany.

Currently, China's five provinces and autonomous regions of Heilongjiang, Inner Mongolia, Xinjiang, Jilin and Liaoning have direct border trade with the Soviet Far East.

### Northeast Asia

Kaifu on Assistance for China, Policy in Gulf  
OW2310163390 Beijing XINHUA in English  
1455 GMT 23 Oct 90

[Text] Tokyo, October 23 (XINHUA)—Japanese Prime Minister Toshiki Kaifu today congratulated China for successfully holding the 11th Asian Games in Beijing.

Kaifu made the remark while meeting with China's official XINHUA NEWS AGENCY delegation, headed by its president Mu Qing.

Kaifu said that Japan had made comprehensive considerations before sending Japanese Education Minister Kosuke Hori to Beijing to attend the opening ceremony of the 11th Asiad.

The prime minister said it was not unrealistic for China to hold the Olympic Games in 2000 as Chinese athletes performed well at the Asiad.

Referring to Sino-Japanese relations, Kaifu said he held talks with major Western leaders during the Houston summit on the promotion of friendly relations between Japan and China.

Moreover, the Japanese Government's third yen loans had been put into effect, he said, adding that Japan would continue to provide assistance to support China's economic development and open-door policy.

Talking about the Gulf crisis, the prime minister said Japan would provide peaceful cooperation in support of the United Nations' resolutions on Iraqi invasion of Kuwait. However, he said Japan would never forget its introspection over past history and that it has no ambition to become a military superpower.

Kaifu also expressed the hope that he would visit China again if circumstances permit.

The Chinese delegation arrived here on Monday at the invitation of Japan's KYODO NEWS SERVICE for a two-week visit.

#### **Japan's Dispatch of Forces to Mideast Viewed**

*HK1710140190 Beijing RENMIN RIBAO in Chinese  
17 Oct 90 p 6*

[Article by staff reporter Yu Qing (0060 7230): "Japan's Mideast Policy and Dispatching of Troops Abroad"]

[Text] Tokyo 15 Oct (RENMIN RIBAO)—Public opinion circles tagged the 119th session of the Japanese Diet that opened on 12 October as "the Mideast Diet," because the current Diet would deliberate the United Nations Peace Cooperation Bill, with focus on sending Japan's Self-Defense Forces overseas.

The UN Peace Cooperation Bill (shortened as "Cooperation Bill" in the following) was first proposed in August. At first, Japan presented an initial plan for its Mideast policy with Japan "contributing funds and materials" as its contents; later, the issue of "sending its men" was brought up, especially sending its Self-Defense Forces abroad. In view of the fact that the existing constitution has formed a hurdle to sending the Self-Defense Forces abroad, some people were for revising the constitution and the Self-Defense Forces law. The Cooperation Bill

had been deliberated and supplemented on several occasions before its final version was submitted to the current session of the Diet at its opening for deliberation.

It was proposed in the Cooperation Bill that the purpose of sending the Peace Cooperation Corps overseas is to maintain world peace and security; and its main tasks are to supervise ceasefire, maintain transportation and telecommunications equipment, engage in medical service, and provide help to afflicted people. The Peace Cooperation Corps comprises civil servants. It is stipulated that the Peace Cooperation Corps members may retain their official status, and carry small-type arms for self-defense.

The Cooperation Bill has roused strong reactions at home since it was made known to the public. Article Nine of the Japanese Constitution stipulates that Japan "will not maintain a land force, navy, and air force or other war forces, and will not acknowledge the state's right to be at war." Obviously, sending its Self-Defense Forces overseas will violate the constitution. Analysis of public opinion here believes that that accounts for the fact that the Cooperation Bill has roused so many censures and questions. Moreover, post-war Japanese political circles had on many occasions discussed sending Japan's Self-Defense Forces overseas, but always met with an explicit ban in statements of government officials or Diet resolutions.

Polls show that the majority of Japanese people opposes sending the Self-Defense Forces overseas. There are disputes on the issue inside the Liberal Democratic Party. Former Chief Cabinet Secretary Masaharu Gota stated that he does not wish to see young people take the old path. The Japanese Historical Study Association has issued a statement to protest against the government's plan to send forces overseas by taking the advantage of the Mideast crisis.

The current Diet session is to last 30 days, and the Cooperation Bill is a very important one in recent years. It is still hard to say whether or not it will be adopted by the Diet.

In his speech on political views at the opening ceremony of the current Diet session, Prime Minister Kaifu stated: "Japan as a peaceful country is facing its greatest test in post-war days."

It seems that the intention of the current Diet cannot be generalized as "the Mideast Diet" in an oversimplified way, because it involves whether or not Japan's national policy will be changed.

#### **Shandong Vice Governor Meets Japanese Delegation**

*SK2410022590 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 20 Oct 90*

[Text] Yesterday, Shandong Vice Governor Li Chunting met with the Yamaguchi Prefectural friendship delegation from Japan.

At the meeting, Li Chunting said: Shandong Province has established friendly ties with Yamaguchi Prefecture for more than eight years. Over the past eight years, both sides have deepened mutual understanding and strengthened friendship and achieved gratifying success in various fields of cooperation.

In late May, Governor Zhao Zihao led a delegation to Yamaguchi Prefecture to promote the development of cooperative relations between Shandong Province and Yamaguchi Prefecture.

The main purpose of the Yamaguchi Prefectural friendship delegation's visit to our province is to exchange views with our provincial departments concerned on developing friendly relations between our province and the prefecture and to discuss the exchange activities to mark the 10th anniversary of the establishment of friendly ties between Shandong Province and Yamaguchi Prefecture.

#### **Li Tieying-Led Delegation Leaves for DPRK**

*OW2410030390 Beijing XINHUA in English  
0235 GMT 24 Oct 90*

[Text] Beijing, October 24 (XINHUA)—A Chinese party and government delegation headed by Li Tieying, member of the Political Bureau of the Chinese Communist Party Central Committee and state councillor, left here for Pyongyang by air this morning.

The delegation will attend activities organized by the Korean party and government to commemorate the 40th anniversary of the day when the Chinese People's Volunteers entered Korea to fight the war. It will also pay a goodwill visit to the country.

Among those who were at the airport to see the delegation off were Song Jian, member of the party Central Committee and state councillor, and Chu Chang-chun, ambassador of the Democratic People's Republic of Korea to China.

Leaving on the same plane for Pyongyang was a friendship delegation of the Chinese people led by Huang Huang, secretary of the Ningxia Hui autonomous regional party committee.

#### **Military Delegation Arrives in Pyongyang 22 Oct**

*OW2310011590 Beijing XINHUA in English  
1501 GMT 22 Oct 90*

[Text] Pyongyang, October 22 (XINHUA)—A delegation of the former Chinese People's Volunteers arrived here by plane today to take part in the celebrations of the 40th anniversary of the volunteers' entry to help Korea resist foreign aggression.

The delegation is led by General Zhang Zhen, president of the National Defence University of the Chinese People's Liberation Army.

Arriving aboard the same plane were a delegation of hero and model volunteers and a family members' group of martyred volunteers.

Greeting the visitors at the airport, General Kim Kwang-chin, vice minister of the Korean People's Armed Forces, said the Korean people would never forget the Chinese People's Volunteers who supported the Korean people with blood and lives during the most difficult days of their liberation war.

#### **Korea-China Friendship Week Opens in North**

*SK2310114090 Beijing International Service  
in Korean 1100 GMT 22 Oct 90*

[Text] The Korea-China Friendship Association held a function to mark the Korea-China friendship week beginning on 21 October and ending 27 October, and to mark the 40th anniversary of the entry of the Chinese People's Volunteers [CPV] into the Korean War.

Yesterday evening, the Korea-China Friendship Association held a ceremony to open the Korea-China friendship week at the Pyongyang Youth Central Hall. Invited were approximately 1,000 figures, including responsible Korean persons in various fields; Zheng Yi, Chinese ambassador to Korea; members of the delegation of the Chinese People's Association for Friendship with Foreign Countries, currently on a visit to Korea; and members of the friendly delegation of the China-Korea Friendship Association.

At the opening ceremony, Yi Cha-pang, chairman of the Korean State Science and Technical Committee and chairman of the Central Committee of the Korea-China Friendship Association; and Ambassador Zheng Yi delivered speeches.

Looking back upon the achievements made by the CPV in Korea, they praised the friendship between the people of Korea and China.

During the Korea-China friendship week, various functions will be held in Pyongyang, the capital of Korea, and other areas to mark the 40th anniversary of the entry of the CPV into the Korean War.

#### **International Korean Unification Meeting Held**

*SK2310112090 Beijing International Service  
in Korean 1100 GMT 22 Oct 90*

[Text] An international meeting in support of founding the Democratic Confederal Republic of Koryo [DCRK] and of realizing Korean reunification was held in Paris yesterday. The two-day meeting was proposed and organized by the International Liaison Committee for Independent and Peaceful Reunification of Korea [ILCIPRK], whose headquarters are in Paris. Delegates of the governments, national assembly, parties, mass organizations, and international bodies from approximately 70 countries attended an opening ceremony.

Francisco da Costa Gomes, member of the ILCIPRK Standing Committee and former president of Portugal, delivered an opening address.

This meeting was held under new circumstances in which premiers of the North and the South of Korea held historic talks and both sides promote exchanges of sports. Those who attended the meeting would discuss the prospect of how the Korean people will realize the Korean reunification by founding the DCRK; the question of the U.S. policy toward the DPRK under new circumstances; and the question of efforts that international social circles should make to settle issues concerning Korea.

The DPRK President Kim Il-song in a congratulatory message to the meeting stressed that making Korea a neutral, nonaligned, and reunified country by founding the DCRK not only conforms to the national interests of the entire Korean people, but also becomes a basic guarantee for durable peace and stability of Asia and the rest of the world.

#### 'Roundup' Views Korean Reconciliation Efforts

*OW2010014790 Beijing XINHUA in English  
1438 GMT 19 Oct 90*

[“Roundup: Good Omen for National Reconciliation (by Li Nengqing)—XINHUA headline”]

[Text] Pyongyang, October 19 (XINHUA)—The prime ministers of North and South of Korea reached no specific agreements during their second meeting in Pyongyang on October 17-18, but they do share some common views, serving as a good omen for the chance of national reconciliation.

The Northern side took a constructive stand throughout the inter-Korean high-level discussions. DPRK Premier Yon Hyong-muk clearly stated the common views and differences between the two sides. Both sides agreed on the agenda's format: to separately discuss political, military, mutual exchange and cooperation programs; to put an end to the slandering of one another; to establish a direct telephone line between military authorities of the two sides; and to promote more exchanges and cooperation in the future.

However, differences remain in the following five areas:

1. The Northern side (insists) that the main priority should be put on the removal of political and military confrontations with the simultaneous promotion of exchanges and cooperation. In contrast, the Southern side stood for discussions on exchanges and cooperation prior to other matters.

2. The Northern side maintained that the removal of the threat of military confrontation should go hand in hand with mutual trust in the military arena, but the Southern side hoped that disarmament would take place after reaching an understanding in the military field.

3. The DPRK proposed that reunification should be based on the framework of a federation, while the South stuck to its model of a single system under which the country could be reunified.

4. The Northern side demanded that the way for reunification should be found in the reality that the country is divided into North and South, but the Southern side maintains that the “two entities” should be recognized first.

5. The North believes that mutual trust can be realized through the removal of political and military confrontation, as opposed to the South which advocates that such trust can be brought about through the solution of the humanitarian problems and exchanges between the two sides.

The DPRK displayed its sincerity during the talks by proposing that the two prime ministers discuss matters which were acceptable to both sides, and leave differences to later meetings. Consequently, it put forward a draft declaration of non-aggression.

The Southern side appreciated the proposal, saying that it was constructive and acceptable to the South. This served as a good base for the second round of high-level talks.

The South responded with a proposal of a joint declaration for reconciliation and cooperation between the North and the South, which was similar to the proposal put forth by the North. The North accepted the proposal in principle.

The two sides will study and consult with each other on the two proposals after the meeting. It is expected that an agreement on the proposals could be reached at the third high-level meeting which is scheduled on December 11-14.

#### Southeast Asia & Pacific

##### Lee Kuan Yew Arrives in Guangzhou 23 Oct

*OW2310173590 Beijing XINHUA in English  
1501 GMT 23 Oct 90*

[Text] Guangzhou, October 23 (XINHUA)—Singaporean Prime Minister Lee Kuan Yew and his wife arrived here this afternoon by a special plane. This is Lee's fifth visit to the city, the capital of Guangdong Province.

Meeting Lee and his entourage were Ye Xuanping, governor of Guangdong Province, and acting mayor of Guangzhou City.

Prior to their arrival in Guangzhou, the Singaporean guests had spent one day in Xiamen, a harbor city of Fujian Province, where they visited Xiamen Fuda Photographic Material Co. Ltd.

Lee wrote on the autograph book his wish for more successes for the company in scientific research and exploration of new products and high quality in the world markets.

**Comparison—Yang Shangkun Meets Vanuatu President**  
*OW1910211490*

Beijing XINHUA Domestic Service in Chinese at 1012 GMT on 19 October transmits a 770-character report on Yang Shangkun's meeting with the president of Vanuatu in Beijing on 19 October. The XINHUA Domestic Chinese version has been compared to the XINHUA English version published in the 22 October China DAILY REPORT, pages 14-15, and found to be identical except for the following:

Page 15, column one, first paragraph, only sentence reads: ...co-operation between Vanuatu and China.

He said that the current situation in China is stable. This is obvious to all. The Chinese Government is entirely capable of solving all its problems.

He reiterated Vanuatu's consistent stand that there is only one China in the world, namely, the People's Republic of China. (adding paragraphs)

Page 15, second paragraph, only sentence reads: ...for President Timakata.

Fei Xiaotong, vice chairman of the National People's Congress Standing Committee, attended the welcoming ceremony and the meeting. (adding paragraph)

**Sub-Saharan Africa**

**Huang Hua Meets OAU Secretary General**  
*OW2410084090 Beijing XINHUA in English  
0817 GMT 24 Oct 90*

[Text] Beijing, October 24 (XINHUA)—Chinese veteran diplomat Huang Hua met with Salim Ahmed Salim, secretary-general of the Organization of African Unity, here today.

They recalled their meetings during the 1970s when they both served as diplomats from China and Tanzania.

Huang Hua, now a member of the Standing Committee of the Chinese Communist Party Central Advisory Commission, gave a luncheon in honor of Salim who is now on an official and friendship visit to China.

**Mali Culture Minister's Visit Reported**  
*AB2310125690 Bamako Domestic Service in French  
1500 22 Oct 90*

[Text] The minister of sports, arts, and culture arrived in Beijing, on Tuesday, 16 October on the first leg of a friendly and working visit to the PRC. While in Beijing, Minister Bakary Traore met, among others, with the

deputy minister of culture and the chairman of the State Commission for Civic Education and Sports. He also visited the Great Wall and the [name indistinct] monument.

[Name indistinct], capital of (?Shandong) Province, was the second leg of the minister's visit. Apart from the banquet which was offered in his honor by the vice governor in charge of culture, the minister visited centers of attraction portraying the town's rich cultural and historical heritage, including statues and baked earth horses. The minister will proceed to Shanghai from where he will leave tomorrow for Paris.

**New Zimbabwean Envoy Presents Credentials**  
*OW2410092890 Beijing XINHUA in English  
0909 GMT 24 Oct 90*

[Text] Beijing, October 24 (XINHUA)—Newly-appointed Zimbabwe ambassador to China, Boniface Guwa Chidyausiku, presented credentials to Chinese President Yang Shangkun in the Great Hall of the People this afternoon.

Chidyausiku arrived in Beijing September 15.

**West Europe**

**Yang Shangkun Greets New Austrian Ambassador**  
*OW2410091090 Beijing XINHUA in English  
0851 GMT 24 Oct 90*

[Text] Beijing, October 24 (XINHUA)—Newly-appointed Austrian ambassador to China, Dietrich Bukowski, presented credentials to Chinese President Yang Shangkun in the Great Hall of the People this afternoon.

Bukowski arrived in Beijing September 15.

**Visiting British MPs Plead Hong Kong's Case**  
*HK2410030390 Hong Kong HONGKONG STANDARD  
in English 24 Oct 90 p 4*

[By Anthony Flores]

[Text] Two visiting British MPs yesterday pledged to press China for more understanding towards Hong Kong following the lifting of sanctions by the European Community.

Sir David Steel was hopeful Beijing would respond favourably to the end of EC sanctions.

"I hope the fact that the EC has made this gesture will result in some gestures from the Chinese side," he said.

Delegation leader Sir Peter Blaker welcomed the decision and said Britain had been pressing for removal of sanctions.

The EC decision came before the MPs left for Beijing today.

They will be the first group of British MPs to visit China since last year's June 4 military crackdown on the pro-democracy movement, and they are paving the way for Foreign Secretary Sir Douglas Hurd's visit.

Sir Peter described the timing of the decision as "very happy for us".

"We will be working for more understanding and more openness between Britain and China as far as we can, the context of our visit to Peking is Hong Kong really—Hong Kong is the main topic."

"We were invited because we are members of the Hong Kong group, so I think this is all very relevant."

The EC decision was relevant for Hong Kong because it would ease relations between Britain and China.

"And that would be helpful to Hong Kong, I believe, and also of course it would help Hong Kong's own trade."

Sir Peter said the MPs would discuss "everything you can imagine and we will be talking about that when we come back".

He was pleased with the EC decision but Sir David said everything had not returned to normal.

He hoped better relations with Beijing would ease the transition.

Meeting Point Vice Chairman Li Wah-ming said Sir Peter warned it not to interfere in China's politics.

"He encouraged us to participate in the democratisation of Hong Kong, but said we should take care not to provoke Beijing when we fight for more democracy in the mainland," Mr Li said.

#### Tian Jiyun Meets Cyprus Finance Minister

OW2410112290 Beijing XINHUA in English  
1047 GMT 24 Oct 90

[Text] Beijing, October 24 (XINHUA)—Chinese Vice Premier Tian Jiyun met with George Syrimis, minister of finance of Cyprus, and his party here this afternoon.

Tian and Syrimis expressed hope for promoting bilateral cooperation in fields of economy, trade, science and technology.

Syrimis attended the second meeting of the China-Cyprus mixed committee on Economy, Trade, Science and Technology, which opened here October 22.

#### Chen Xitong Meets Finnish Premier in Helsinki

OW2410075590 Beijing XINHUA in English  
0727 GMT 24 Oct 90

[Text] Helsinki, October 23 (XINHUA)—Finnish Parliament Speaker Kalevi Sorsa and Prime Minister Harri Holkeri met this morning respectively the visiting Beijing Mayor and State Councillor of Chinese Government Chen Xitong.

Chen, leading a Beijing Municipality mission, arrived here on October 19 on a good-will visit to the city at the invitation of Helsinki's Lord Mayor Raimo Ilaskivi.

At a banquet held Monday in the guests' honor, Ilaskivi hailed the Chinese mayor's visit to his city as representing a promotion and new development in the Finnish-Chinese friendship and their bilateral exchanges.

He said he hopes that the long-term cooperation between the two cities will be enhanced in the future.

After reviewing the smooth development of the diplomatic relations between the two countries since they were established 40 years ago, Chen said in his speech that he hopes to learn from Helsinki in its city planning and construction and municipal administration.

#### Expert Attends Pollution Symposium in Finland

OW2010074590 Beijing XINHUA in English  
0651 GMT 20 Oct 90

[Text] Helsinki, October 19 (XINHUA)—Pollution is affecting societies and their economies and was something on which Finland would never take a neutral stand, Environment Minister Kaj Barlund told an international symposium in Espoo yesterday.

He said promoting co-operation in the field of environmental protection was an important part of Finland's foreign policies.

The minister pointed out that Finland was suffering from severe pollution coming from neighboring countries, and had created a special cooperation plan with Eastern European nations to deal with this.

Some 100 experts and delegates from the United States, China, Finland and agencies of the United Nations attended the two-day symposium sponsored by the Finnish Foreign Policy Research Institute. Wu Changping, an expert from China, was among the speakers.

#### France Hopes To Strengthen Sino-French Relations

HK2210150090 Beijing RENMIN RIBAO in Chinese  
18 Oct 90 p 6

[“Dispatch”: “French Foreign Ministry Official Expresses Hope To Resume and Strengthen Relations Between France and China”]

[Text] Paris, 17 Oct (RENMIN RIBAO)—After holding the post for four years, Zhou Jue, Chinese ambassador to France, left Paris for home on 17 October.

Mrs. Aweisi [7093 4850 2448], a representative at ministerial level of the French Ministry of Foreign Affairs, gave him a farewell dinner before Ambassador Zhou left his post. Both sides exchanged views on the Gulf situation, Cambodian problem, and relations between the two countries. Ambassador Zhou thanked the French Ministry of Foreign Affairs for giving assistance to his work. Mrs. Aweisi praised the ambassador for the efforts Ambassador Zhou had made during his tenure of office to develop the relations between two countries and expressed hope that Sino-French relations will be further resumed and strengthened.

Before leaving his post, Ambassador Zhou also paid an official call on personages, including Jacques Chirac, former prime minister and mayor of Paris; and the wife of former President Georges Pompidou.

**Guangzhou Car Producer Receives French Bank Loan**  
*OW2310023190 Beijing XINHUA in English*  
*1520 GMT 22 Oct 90*

[Text] Guangzhou, October 22 (XINHUA)—The Guangzhou Peugeot Corporation, a Sino-French car joint venture in Guangzhou, capital of Guangdong Province, signed an agreement today with Banque Nationale DZ Paris on a loan of 15 million U.S. dollars from the French bank.

With the loan, the corporation intends to expand its annual production capacity to 30,000 cars a year in 1992 and speed up the efforts to make more car parts locally.

The loan will be used to import equipment for two workshops and for other expansion projects.

A local official said that the loan is the largest financial deal between China and France this year.

**Political & Social****Deng Xiaoping Said Losing Active Influence**

HK2410021790 Hong Kong SOUTH CHINA MORNING POST in English 24 Oct 90 p 21

[By Willy Wo-lap Lam]

[Text] Even if Deng Xiaoping were to meet Indonesian President Suharto, due in Beijing in mid-November, he would have been absent from the public gaze for nearly 4 ½ months.

It is not surprising that the Chinese authorities have been scrambling to explain one of Deng's longest periods of non-appearance since his second rise from disgrace in late 1976.

Last Thursday, when it had become clear that the senior leader would not meet visiting Singapore Premier Lee Kuan Yew, Foreign Ministry spokeswoman, Li Jinhua, who normally declines to comment on "domestic affairs", volunteered the information that the patriarch enjoyed "excellent health".

Li said Deng, 86, had refrained from seeing foreign dignitaries because he preferred that they be met by "party and government leaders currently in office".

Earlier at the start of the Asian Games in late September, one of Deng's daughters, Deng Lin, said her father had stayed away from the limelight because if he saw one foreign guest attending the Asiad, he would have to see them all.

These excuses are not convincing—and the authorities know it.

Deng stated immediately after he retired last November that he would stop seeing foreign visitors on a regular basis. He said, however, that he would keep on meeting "old friends" in a private capacity.

In the first half of this year, Deng hobnobbed with a startling mix of visitors—both old and new friends—from the West, the Third World, Taiwan and Hong Kong. More importantly, Deng purposefully used these meetings to "make propaganda" for his open door policy and to give fresh momentum to reform.

After the Asian Games, many cadres in Beijing expected Deng to resume his old programme of seeing selected "old friends"—and drumming up support for reform as the nation prepares for the Eighth Five Year Plan.

While it is premature to conclude that his non-appearance confirms speculation that his health has dramatically deteriorated, there is no doubt the authorities have sought to make up for his absence with a splash of Deng-related stories in the press.

The Deng media overkill reached an apogee with a National Conference on Deng Xiaoping Through held earlier this week in Guang'an County, Sichuan, his hometown.

A dispatch by the China News Service said various units, including the Propaganda Department, were putting out over 30 volumes of studies on Deng's statecraft.

To reassure the world that the patriarch's spirit lives on, all the leaders meeting Prime Minister Lee highlighted the contributions that "the Deng Xiaoping line of reform" had made to the country.

"China insists upon the policy of reform and open door formulated by Deng Xiaoping," Party General Secretary Jiang Zemin said. "And we will speed up the process of reform and the open door."

"In the past 10 years, as a result of upholding the reform and open-door policies of Deng Xiaoping, we have achieved results which are much greater than before," President Yang Shangkun added. "We are prepared to do it (reform) faster, and to open up the country even further."

Significantly, the newly-promoted head of the State Commission for the Reform of the Economic Structure, Chen Jinhua, disclosed on Monday that Deng had recently requested the policy of reform and the open door be "rendered better and faster" in the coming decade.

It is no accident that Jiang, Yang and Chen all raised the banner of "speeding up reform".

The radical battle cry was first issued by Deng and his lieutenant, ousted party boss Zhao Ziyang, in the heyday of reform in mid-1988, when the patriarch admonished cadres to "lose no time" in waging reforms, especially comprehensive price reform.

That slogan has been mothballed since the Tiananmen Square massacre. Instead, central planning-oriented cadres in the party, including Prime Minister Li Peng, have only pledged to "deepen reform".

Seasoned China-watchers point out, "deepening" as opposed to "quicken" presupposes a more cautious and conservative pace with which "the socialist system goes about perfecting itself", which is how the hardliners define reform.

Does this mean that we are witnessing a Deng revival; that, without even showing up, Deng is giving his reforms a much-needed push?

The evidence points otherwise. Even as relatively moderate leaders like Jiang are apparently reinstating the "quicken-reform" slogan, there is little doubt that the central planners have gained the upper hand.

Take Li Peng, who has effective control over the economy.

On at least three occasions in the past week, Li upheld the dictum of "deepening" reform, his way of saying that economic development must proceed at a "sustained, stable and harmonious" pace,—that is, in such a way that the overall system of socialist, public ownership will not be diluted.

While talking to visitors last week, Li also heaped eulogies on the Deng Xiaoping record.

However, he put in a major caveat: if we were to draw any lesson from the past decade, Li says, it is that "while on the one hand, we must resolutely practise reform and the open door, we must on the other firm up our socialist orientation."

Implicit in Mr Li's statement is a critique of Deng and such of his followers as the late Hu Yaobang and Zhao Ziyang: in their anxiety to "quicken reform", the liberals have deviated from the socialist path.

Many analysts suspect that the Deng-related media overexposure is a case of "hoisting the Red Flag to combat the Red Flag".

For example, the theme of the Guang'an County conference on Deng is not how he has liberalised the economy by introducing market forces but "the superb contributions Deng Xiaoping has made to Marxism-Leninism and Mao Thought".

Even more disturbing is the fact that when leaders including Yang Shangkun and Jiang Zemin talked about Deng last week, it was as though they were writing his epitaph, that the great man's contributions could be fully measured because he could do no more.

The China News Service report on the Guang'an seminar was indicative. A key item on the agenda, it said, was "to remember Deng's contributions to the Chinese revolution".

There is, of course, no cause to "remember" Deng if he can still move mountains for reform.

While Deng is being mentioned in past tense, the hardliners among his contemporaries are having a second lease on life.

They include former national People's Congress Chief Peng Zhen, Central Advisory Commission Chairman Chen Yun and his two deputies, elders Bo Yibo and Song Renzhong.

Peng, 87, a longstanding rival of Deng's, stole the lime-light at the state funeral for Marshal Xu Xiangqian last Thursday.

Even though he holds no position whatsoever, Peng was ranked ahead of Politburo Standing Committee members Qiao Shi, Yao Yilin, Song Ping and Li Ruihuan on the protocol list issued by the New China News Agency.

The same prominence is being accorded Bo Yibo, the head of the so-called Shanxi Faction, who has reportedly been "advising" the Politburo on both economic and personnel matters.

Although Bo is supposed to have "retreated to the second line", the 82-year-old leader towered above Politburo Standing Committee members in the official NCNA picture showing the leadership lineup at the start of the Asian Games.

Even more intriguing is the spate of "reappearances" by Chen Yun, 86, Deng's arch-rival.

While Chen has been gravely ill since the mid-80s, the conservative patriarch's ideas, including the famous "bird cage" theory of central planning, have been repeatedly cited by economics cadres.

Earlier this month, President Yang again called attention to the fact that "our older-generation leader, Comrade Chen Yun, has specially demanded that leading cadres must study more philosophy".

"Philosophy," of course, means, in the main, Marxist-Leninism and Maoism, and secondarily, those parts of Deng Thought "that contribute to Marxist-Leninism and Mao Thought".

Yang's viewpoint is seconded by Politburo member Li Ruihuan, once tipped to be the successor of Zhao Ziyang.

Li, the Deng Xiaoping protege who mesmerised international opinion earlier this year by advocating a "more humane Marxism", underscored the importance of toeing the orthodox line while meeting a Soviet delegation last Monday.

He said: "All people who are faithful to Marxist-Leninism should diligently safeguard it and uphold the socialist state."

#### Symposium on Deng's Thought Held in Sichuan HK2410042590 Beijing ZHONGGUO XINWEN SHE in Chinese 1340 GMT 22 Oct 90

[Report: "Symposium on Deng Xiaoping's Thought Held in Guangan"—ZHONGGUO XINWEN SHE headline]

[Text] A national symposium on Deng Xiaoping's thought and theory is being solemnly held in Deng's hometown of Hanxuyuan, Guangan County, Sichuan Province today. It is the first time the country has gathered 50 well-known specialists and scholars from various places and military academies throughout the country to discuss Deng Xiaoping's outstanding contributions to Marxism-Leninism-Mao Zedong Thought.

As early as last spring, while the preparation of this symposium was under way, specialists and scholars from

the Propaganda Department of the CPC Central Committee, the Party Literature Research Center, the Chinese People's University, and other units organized an editorial committee, with Yuan Baohua, Li Qi, and Wang Renzhi as its advisors, for the publication of a collection entitled "A Study of Deng Xiaoping's Life and Thought," planning to publish 20 books in the coming few years. Liaoning People's Publishing House is providing the public with the following first four books: "The Philosophic Mode of Thinking Adopted by the Chinese Leaders of the Second Generation," "A Study of Deng Xiaoping's Thought on Propaganda," "The Childhood of Deng Xiaoping," and "A Study on Deng Xiaoping's Theory on Building Socialism With Chinese Characteristics."

At this four-day symposium, specialists and scholars will hold systematic discussions in a comprehensive way on the two main subjects of Deng Xiaoping's life and thought. They will not only study Deng Xiaoping's life and career, but also probe the quintessence of his thought in guiding the building of socialism in China; not only recollect his contributions to the Chinese revolution, but also analyze the similarities and differences between the thought and modes of reforms either designed by him for China or adopted by other socialist countries.

The participants visited Deng Xiaoping's former residence, which is simple and located in a peaceful and secluded place. The party committee of Guangan County is holding an exhibition of works of calligraphy, photographs, and historical relics entitled "Beautiful Scenes in Deng Xiaoping's Hometown."

#### Jiang Zemin, Others Meet With Nonparty Personnel

*OW2310225090 Beijing XINHUA Domestic Service  
in Chinese 1243 GMT 23 Oct 90*

[By reporter Zou Aiguo (6760 1947 0948)]

[Text] Beijing, 23 Oct (XINHUA)—Representatives of various democratic parties and the All-China Federation of Industry and Commerce [ACFIC], and personages without party affiliations—who have shared weal and woe with the CPC over a long period of time—were invited to attend an informal meeting sponsored by the CPC Central Committee at Zhongnanhai's Huairan Hall yesterday afternoon and this afternoon.

Sitting around the hall, Comrades Jiang Zemin, Li Peng, Yao Yilin, Ding Guanggen, Wen Jiabao, Zou Jiahua, and Qian Zhengying had extensive discussions with these friends on issues concerning the nation's economic and social development.

Comrade Jiang Zemin, who chaired the meeting, said: Holding informal consultative meetings with nonpartisan friends to hear their views on major issues is a good

form to promote democracy and for nonpartisan personnel to become involved in political affairs. I hope everyone will speak out and actively put forward proposals.

Taking the floor at the meeting were Fei Xiaotong, chairman of the China Democratic League Central Committee; Zhou Peiyuan and Xu Caidong, respectively chairman and vice chairman of the Jiu San Society Central Committee; Rong Yiren, ACFIC chairman; Hou Jingru and Peng Qingyuan, vice chairmen of the Revolutionary Committee of the Chinese Kuomintang; Cheng Siyuan, a personage without party affiliation; Dong Yinchu, chairman of the Zhi Gong Dang Central Committee; Ngapo Ngawang Jigme, another personage without party affiliation; Wan Guoquan, vice chairman of the China Democratic National Construction Association Central Committee; Cai Zimin, chairman of the Presidium of the Taiwan Democratic Self-Government League Central Committee; Chen Shunli, vice chairman of the Central Committee of the China Association for Promoting Democracy; Fang Rongxin, executive vice chairman of the Chinese Peasants and Workers Democratic Party Central Committee; and Wang Guangying and Jing Shuping, ACFIC vice chairmen. When they spoke, they all put forward constructive views on issues concerning industrial and agricultural development, improvement of economic efficiency, development in minority areas, planned parenthood, scientific and technical education, spiritual construction, promotion of administrative ethics, and intensification of defense education. They pledged that, in the spirit of "showing utter devotion to one another and sharing weal and woe with the CPC," they would do their best in assisting the CPC and the people's government to do their jobs well in all fields.

Comrades Jiang Zemin, Li Peng, and Yao Yilin listened to the speakers' views, jotted down the main points, and asked questions and expressed views on many occasions. The atmosphere of the meeting was warm as comrades inside and outside the CPC proceeded with their cordial conversations and discussions, and exchanging of information.

Toward the end of the meeting, Jiang Zemin said: The CPC-led multiparty cooperation system is a very good system, but one important requirement is that party and nonparty personnel must give full scope to their respective strengths. The many opinions and suggestions you have presented show that you are concerned with state affairs. We are very enlightened, and we are very thankful. We should unite and cooperate even more closely and work hard to consolidate and develop political stability and unity and boost national economic development.

Also invited to attend the meeting were Yan Jici, Sun Qimeng, Qu Wu, Gao Tian, Tao Dayong, Ge Zhicheng, Ye Zhishan, Yao Jun, Chen Zongyi, and Sun Fuling.

Leading comrades of relevant departments under the CPC Central Committee and the State Council were also present.

### National Antipornography Work Conference Opens

#### Liu Zhongde Makes Report

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[“Excerpts” of report by Liu Zhongde, deputy director of the Propaganda Department of the CPC Central Committee, at a national conference on antipornography work: “Improve Understanding and Strengthen Leadership in Launching a Thorough and Protracted Antipornography Drive”]

[Text] Beijing, 22 Oct (XINHUA)—Liu Zhongde, deputy director of the Propaganda Department of the CPC Central Committee and head of the All-China Leading Group for Screening and Consolidation of Publications and Audiovisual Market, made a report at a national conference on the antipornography drive today, which was entitled “Improve Understanding and Strengthen the Leadership in Launching a Thorough and Protracted Antipornography Drive.”

Reviewing the primary results and basic experience in cracking down on pornography over the past year, Liu Zhongde said in his report: Following the Third Plenary Session of the 11th CPC Central Committee, we have scored marked achievements in publications work. Serious problems emerged, however, in publications and the audiovisual market a few years ago. There has been a rising number of books, newspapers, magazines and audiovisual products which advocate bourgeois liberalization and serious political errors. Pornography and publications glorifying murder, violence, and feudal superstition have spread unchecked. Illegal and smuggled publications have continued to exist despite repeated bans. These mental toxins and cultural garbage have gravely corrupted the general conduct of society, poisoned people's souls, corroded the minds of the younger generation, impeded the building of socialist spiritual and material civilization, and become a major public hazard that induces crime and undermines social stability, arousing strong indignation among the broad masses of people. Comrade Li Ruihuan, relaying an instruction of the Standing Committee of the Political Bureau of the CPC Central Committee at a national conference of propaganda department directors last July, called for “determination and resolute efforts to achieve marked results” on the antipornography issue. In August, the party Central Committee and the State Council called a national telephone conference on screening and consolidation of publications and the audiovisual market. In their speeches at the conference, Comrades Li Ruihuan and Li Tieying called on party committees and governments at all levels to mobilized

further and concentrate efforts on carrying out comprehensive screening and consolidation. Since then, a mammoth antipornography drive has been launched. Antipornography leading groups have been set up in various localities and at different levels. These leading groups are headed by principal party and government responsible comrades and comprised of senior officials from propaganda, press and publications, culture, radio, cinema and television, public security, industry and commerce administration, railways, communications, posts and telecommunications, and customs departments. Fully mobilizing the masses in gradually deepening the antipornography drive, these leading groups have scored the following major achievements:

(1) The publications and audiovisual markets have been screened and consolidated. Leading groups have prohibited, according to the regulations, audiovisual products advocating bourgeois liberalization, other reactionary views and serious political errors, pornography, vulgar and obscene materials harmful to young people's physical and mental health, and various illegal publications glorifying feudal superstition, murder, and violence, thereby effectively stopping the inundation of “pornographic poison.” According to incomplete statistics, as of the end of August 1990, a total of approximately 32 million prohibited books and magazines and 2.4 million cases of audiovisual products had been confiscated, and some 3,200 places producing and trading pornography and engaging in illegal publications cracked down throughout the country. Moreover, over 10,000 criminal cases had been uncovered, nearly 80,000 lawbreakers punished (including disciplinary action and punishment according to the regulations for penalizing criminal offenses against public order), and 9.33 million yuan fines imposed, in addition to 780,000 contraband publications which had been seized.

(2) Newspapers, magazines and publishing houses have been reduced since the consolidation. Following clues gleaned during screening and consolidation, the leading groups tracked down and closed a bevy of publishing units making with serious mistakes and suspended the operations of another with unreasonable distribution or without proper conditions for operations. In this way, we have more effectively cut off “sources of pornography” from publishing units and created conditions for improving quality and making the publishing market more prosperous.

(3) Printing and distributing units have been consolidated. In the course of consolidation, re-registration has been conducted for book and magazine printing houses. In accordance with the regulations, a total of 500 printing houses have been approved at fixed points throughout the country in order to stop the printing of pornographic and illegal publications. Re-registration has also been conducted for collective and individual distributing units. Wholesale operations of individual distributing units have been suspended. The fruits of the antipornography drive can be solidified only by effectively controlling printing and distribution links.

(4) In cracking down on crime and safeguarding social stability, a few major criminal cases of producing and trading pornography and engaging in illegal publications have been uncovered. Criminal offenders and gangs, who have done grave harm, are the focus of the drive. Should they be left at large, it will be impossible to solve problems in the antipornography drive. Severe punishment of such criminals according to the law has effectively deterred other types of crime and deepened the antipornography drive.

(5) The supervision and construction of the publishing market's legal system has been intensified. Along with the deepening of the antipornography drive, all provincial, autonomous regional, and municipal party committees and governments have taken action to intensify supervision over publishing.

(6) Antipornography awareness has struck deep in the hearts of the people, becoming a household word known to everyone. Extensive and in-depth antipornography publicity and education on an unprecedented scale has reached all sectors of urban and rural areas throughout the country. The antipornography drive will have a far-reaching and positive influence on the building of socialist spiritual civilization.

(7) The antipornography drive has caused mass literary and artistic creative works to prosper and has enlivened mass culture. Elimination of mental garbage and enrichment of nourishment for the mind complement each other. Varied and interesting literary and artistic performances and sports, calligraphy, opera, movie, and television activities suitable for both refined and popular tastes were staged and welcomed by the masses in various localities. This is an indication of political stability and economic prosperity in the country, as well as a positive result of the antipornography drive.

Liu Zhongde said: The aforementioned major achievements are known to all. It is the consensus of the people that the antipornography drive is one of the concrete tasks performed, with the great support and to the immense satisfaction of the people, by the new central leadership, with Comrade Jiang Zemin as the nucleus, following the convocation of the Fourth Plenary Session of the 13th CPC Central Committee. Parents, teachers, and communist youth leagues believe that the antipornography drive means care and protection for the vast number of youths and it concerns the future of the country and people. Comrades of women's federations have said that the antipornography drive has won strong support from the people, especially women and mothers. The achievements of the antipornography drive have testified to the correctness of the central authorities' policy decisions and once again revealed the prestige of the CPC's leadership and superiority of the socialist system.

Summarizing the basic experiences of the antipornography drive, Li Zhongde said: The basic guarantees of the drive's success are the way in which the party Central

Committee and the State Council, as well as party committees and governments at all levels, have attached great importance to and strengthened leadership over the antipornography drive; principal responsible comrades have also personally attended to the drive and tackled and solved major cases. The antipornography drive has been regarded as part and parcel of the fight against bourgeois liberalization. All relevant departments have closely cooperated and fought concordantly under the unified leadership of the party and the government. Since the beginning of the drive, we have stressed the necessity of drawing a clear line of demarcation in applying the policy and of doing things strictly according to law. It is necessary to not only intercept but also stop the source of pornographic materials. We should steadfastly eliminate pornography on the one hand and adhere to the principle of developing literature and art on the other.

He said: These basic experiences and practices should be continue as the antipornography drive continues.

Meanwhile, Liu Zhongde pointed out that there still are problems in the "antipornography" drive that should not be overlooked. He said: The long-standing problems primarily are that there still are blind spots in the "antipornography" drive, that some underground operations where pornographic materials are made and sold have not been brought to light and smashed, and that some major cases are yet to be tried according to law. There are two principal new problems. One is that lawless people in some localities who had produced and sold pornographic materials in the past have restarted their activities since the end of last spring. Their operations have become more covert and cunning. Pornographic publications that had been banned by formal decrees have reappeared. A number of publishing houses whose licenses were revoked are continuing their operations illegally; they even publish pornographic materials. The other new problem is that illegal publications have gained tremendous momentum. According to incomplete statistics, a total of over 210 kinds of books and periodicals published illegally has been seized during this period. These problems not only hamper our further efforts in the "antipornography" drive but also imperil what we have already achieved in the drive in the previous period of time. The morbid trend of producing and selling pornographic materials may make a comeback if we do not take action to solve these problems immediately.

In view of this, Liu Zhongde pointed out in his report that it is necessary to heighten the understanding about the "antipornography" drive and firmly recognize that the drive is a long-term struggle.

He stated: To solve the current problems, first of all, we need to work on our mentality. We must fully recognize the harm and danger of "pornography" and realize that the "antipornography" drive demands our constant efforts and vigilance. We should be responsible to our people and have confidence in our "antipornography"

drive. This shows our confidence in the Communist Party's leadership and the socialist system. Only the Communist Party's leadership and the socialist system can guarantee that pornography will be eventually eliminated. Meanwhile, we should also keep a clear head and fully prepare ourselves in thought and action for a sustained and thorough struggle against pornography. We should always take the initiative when a certain repetition takes place in the course of the long-term struggle.

He said: Practice shows us that the prevalence of "pornography" has severely polluted our social environment, poisoned our people, especially our young people, and endangered the future of our country and nation. We must unswervingly carry out the "antipornography" drive.

Liu Zhongde pointed out: Ours is a developing socialist country. In the course of capitalism's development, there is the accumulation of wealth on the one end and the accumulation of crime on the other. The development of capitalism is inevitably accompanied by social degeneration. That is not the case with socialism. We want to develop a high material civilization as well as lofty socialist ethics. The prevalence of pornographic publications is a major social vice that severely pollutes the social environment and poisons society. If left unchecked, the whole nation will gradually decline. It is unimaginable that a degenerating and depraved nation can stand tall among the nations in the world. "Pornography" imperils the Chinese nation's prosperity. There is no way for us to cultivate our people so that they are educated and have lofty ideals, morals, and discipline or to raise the quality of our nation if we do not carry out the "antipornography" drive with determination, not to mention to develop lofty socialist ethics.

He stressed: While the antipornography drive has a time limit, the entire antipornography struggle must continue. Even the current nationwide large-scale cleanup will not be able to accomplish our goal accomplished once and for all. This is because a multitude of international and domestic factors have made it impossible for these spiritual poisons and cultural garbage to disappear soon. The duty of communists is to struggle against all kinds of repulsive phenomena and ultimately annihilate them. Specifically speaking, this is because opposing bourgeois liberalization is a long-term task. He said: The saturation of pornographic publications in the market, a evil consequence of the spread of bourgeois liberalization, adds fuel to the fire in the spread of bourgeois liberalization itself. The antipornography drive is, therefore, a component of the struggle against bourgeois liberalization. He pointed out: People who stubbornly adhere to the stand of bourgeois liberalization negate socialism and oppose the party's leadership in favor of "total Westernization." "Total Westernization" will inevitably open the gate to the decadent stuff of capitalism and inundate us with obscene, pornographic materials. Influenced by bourgeois liberalization, some people have developed a mentality of worshipping the West blindly and regard the

spiritual garbage of the West as treasures. This is why pornographic publications spread wider and wider as we have been flooded with bourgeois liberalization in the past few years. The decadent capitalist ideology spread by pornographic publications, in turn, caused the disintegration of spiritual pillars in some people and shook their belief in socialism. The struggle against bourgeois liberalization is protracted, as must be the antipornography struggle.

The struggle against "peaceful evolution" is protracted. He pointed out: Among the variety of means used by enemies outside our territory to promote "peaceful evolution," an important one is cultural infiltration, including the use of obscene, pornographic, and other decadent stuff to poison and sedate our people. They use all kinds of means to spread decadent Western culture, cultivate a blind worship of the West, and advertise Western capitalist values and decadent ideas. A considerable part of the publications banned in the antipornography drive are spiritual poisons and cultural garbage brought in from Western countries.

Liu Zhongde said: Opening to the outside world has brought a new situation. Flies and mosquitoes as well as fresh air have flown in the open doors and windows. Fresh air is beneficial, and we must not close our doors and windows again. Flies and mosquitoes, however, must be wiped out. The antipornography drive is a determined effort to wipe out the flies and mosquitoes. The antipornography drive is thus conducive to upholding the open policy.

We will unswervingly uphold opening to the outside world and, at the same time, persist in opposing "peaceful evolution." This setup will remain for a long period, as will the antipornography struggle. On the ideological and cultural front, the struggle between socialist ideology and capitalist ideology is a protracted one. He said: Pornographic stuff, including obscene materials, violence, murders, and feudal superstitions, are the decadent ideology of the exploiting class. We have built socialism on the foundation left over from the period of semi-feudalism and semi-colonialism, and the ideologies of feudalism and capitalism will remain in our country for a long time to come. For quite a long time, feudal and capitalist ideologies will vie for our sphere of influence. In recent years, pornographic publications have tried fiercely to win the masses, particularly youngsters, away from us. If the ideological and cultural fronts are not won by socialist ideology, they are bound to be conquered by capitalist ideology. This struggle is protracted, as is, inevitably, the antipornography struggle.

The struggle against economic crime is a long-term one. Our country is developing a socialist commodity economy. During the transition from the old to the new structure in the course of reform, opening our country to the outside world, and developing a socialist commodity economy, people who are propelled by economic interests and are bent solely on making profit will try in 1,001 ways to use loopholes to reap staggering profits. Among

these people, many will try to gain wealth by manufacturing and selling pornographic materials and other illegal publications. There is still a market for pornographic publications, and there are still profits to be made by manufacturing and selling pornographic materials and other illegal publications. This situation will inevitably arouse the money-seeking instincts of some people. The criminal activities of seeking staggering profits by means of manufacturing and selling pornographic materials and other illegal publications will exist for a long period, as will, inevitably, the antipornography struggle.

He believed that as products of and for the mind, publications must persistently give top priority to social effects. No unit should completely commercialize publications, still less should it degenerate into a merchant bent solely on making profits, forgetting the cause of justice.

Having analyzed the causes, Liu Zhongde said: Building socialist spiritual civilization is a long-term strategic task. Fundamentally speaking, only by building a highly advanced socialist spiritual civilization can we gradually reduce and ultimately stop the growth and spread of pornographic poisons. In the final analysis, the antipornography struggle is a reflection of the class struggle within a certain limit. The long-term existence of this struggle dictates the long-term existence of the antipornography struggle. This is something independent of our will. We do not expect to accomplish our goal once and for all, nor will we be surprised by twists and turns.

He also pointed out: The antipornography struggle not only will continue for a long time, it will also be complex and arduous. This will be reflected mainly in the following: Manufacturing and selling pornographic materials and other illegal publications often involves a combination of crimes in the ideological as well as economic field, and sometimes it may involve the direct participation of hostile political forces; manufacturing and selling pornographic materials is intertwined with other crimes and with the "six pests"; illegal publications are often carried out using the cover of legitimate undertakings, or in the name of legitimate activities; along with the changes in the environment, lawless elements constantly change the methods and tactics in carrying out their crimes, making it difficult to crack down on them; lawless elements in society collude with personnel within our units; lawless elements within our territory collude with evil forces outside our territory; and so on and so forth. On top of this, the dispersive nature of the many links of publication, such as publishing, printing, and distribution, also increase the difficulty of tracking down law-breaking and criminal activities. All this creates enormous complexity and arduousness for the antipornography struggle and places higher demands on our work.

In his report, Liu Zhongde made arrangements for conducting the antipornography struggle in the future and explicitly called for resolute measures to continue

deepening the antipornography struggle. He said: In accordance with instructions from the central authorities, a concentrated antipornography drive will be organized nationwide again this winter and next spring to mercilessly crack down on criminals engaged in the criminal activities of manufacturing and selling pornographic materials and other illegal publications.

He called on local authorities to devote serious efforts to the following tasks:

First, party committees and governments at all levels must accord great importance to the current concerted antipornography drive. They must harbor a great sense of responsibility and urgency, and overcome the slack mood. When this meeting is over, they must immediately conduct study and map out the plan of actions in their own localities. They must beef up the leading organs for the antipornography drive. Efforts should be made to improve and sustain some of the still imperfect local organs. They must organize their forces and relevant departments to fight in coordination under unified leadership. Leaders must personally take charge of the antipornography drive in key regions and key units.

Second, they must make further efforts to purge the publications and audiovisual markets in accordance with Document Number 13 (1989) of the General Office of the CPC Central Committee and other relevant provisions. Those that should be banned must be resolutely suppressed without leniency. In particular, additional efforts must be devoted to weak and blind spots, and no areas should be left untouched. They should track down all clues, investigate them thoroughly, and focus on underground activities related to the production and marketing of pornography, and illegal publications. They must organize the administrative, public security and judicial departments to jointly investigate and destroy the criminal rings and underground haunts. They must combine the antipornography drive with efforts to eradicate the six vices. Major and serious cases involving the production and marketing of pornography are often linked to criminal activities like prostitution and gambling. Thus, they must crack down hard on criminals and crime syndicates that are connected with the production and marketing of pornography as well as the six vices. Party committees and governments of localities in which illegal publication is a serious problem must step up their efforts, and try to improve the situation as soon as possible.

Third, they must firmly deal with major and serious cases. Otherwise they will fail to pacify the people's wrath, fail to instill awe in criminals, and fail to stem the momentum of activities related to the production and marketing of pornography and illegal publications. The problems of "failing to investigate and wind up cases, replacing punishments with fines, and imposing heavy fines and light sentences" mentioned earlier must be resolved. On 27 November 1987, the Supreme People's Court and the Supreme People's Procuratorate issued

the "Circular on the Severe Punishment of Illegal Publications According to Law" and, recently, the "Provisions on the Application of Specific Laws to Handle Criminal Cases Involving Obscenity Materials". These are effective weapons for striking at illegal publications and the production and marketing of pornography. It must be emphasized that the punishment of these criminal activities should be severe and swift. We must act firmly according to law, and crack down hard on criminals without any leniency.

Fourth, they must consolidate the success reaped during the curtailment and shakeup of publications and publishing houses. At present, it is found that some of the liquidated publishing units have continued to publish papers, books, and periodicals. The contents of some of these publications are known to be harmful. Some publishing houses have either covertly sold the registration numbers of periodicals and books or have violated regulations by allowing bookstores to print and distribute on their behalf. With regard to such problems, departments charged with managing the press and publications must strengthen their supervision and administration, and mete out severe punishment according to law.

Fifth, they must tighten control over printing and distribution. Party committees and governments at all levels must heighten their awareness that the printing industry is a special trade, and make serious efforts to implement the system laid down for the printing of books and periodicals. At present, it is found that some printing enterprises have illegally printed additional copies of best sellers. Some even collaborate with lawbreaking book sellers to engage in illegal publication in the bid to reap huge profits. Severe punishment should be meted out to such printing enterprises. Publications of unknown origin and containing unhealthy contents acquired by book shops (stores) that are collectively, individually or privately owned must be thoroughly investigated. Book shops and stores selling pornographic and illegal publications or engaging in illegal publication must be severely punished.

Sixth, they must complete the task of curtailing and shaking up the audio and video market. The General Offices of the CPC Central Committee and the State Council have drafted for distribution a circular on curtailing and shaking up units producing audiovisual materials. This meeting shall solicit views on the contents of the circular. It will be finalized and distributed for implementation when the meeting is over. This task to curtail and shake up audiovisual units is an important part of the undertaking to rectify the ideological and cultural market. We must respond accordingly to the problems that cropped up in the audiovisual market during the earlier phase, and eradicate units committing serious errors. Apart from that, we must correct and merge units lacking the requirements and rationale to operate.

Party committees and governments at all levels are required to maintain a firm approach, grasp the policy, and act strictly in accordance with the law during the concerted antipornography drive this winter and next spring. We can only assure smooth progress and achieve the projected goal of this drive in this manner.

Liu Zhongde stressed: The struggle against pornography must be a constant and sustained effort. We must link the concerted crackdown with regular management. While paying close attention to the antipornography drive this winter and next spring, we must also step up the regular management of markets for publications and audiovisual materials, and ensure that administration in every aspect is thoroughly executed, institutionalized, and regularized.

He called for effective leadership. Party committees and governments must assign leading comrades to take charge of this task. The regular management of markets for publications and audiovisual materials involves many departments. Governments must establish a general institution to lead and coordinate the drive. We must beef up the leadership for the antipornography drive and not weaken or abolish it. We must also perfect the leading organ for managing publication and audio-visual markets. Regardless of whatever name we adopt, we must have a leading organ. We must also perfect the local management organs in order to meet the various undertakings of regular management.

He call for streamlining the management structure of the audio and video market. On the basis of Document Number 11 (1989) of the Work Committee for Government Organs [guo ji zhong bian 0948 2623 0022 4882] of the CPC Central Committee, and the "Three-Fixations" program for relevant departments, all localities must make serious efforts to review their experience, and perfect and straighten out the structure for managing the audiovisual market. They should strengthen unified control, further define and strengthen the administrative functions of the Press and Publication Administration over the release, duplication, and distribution of audio-visual products, and clarify the responsibilities and duties of relevant departments by spelling out details for implementation.

He called the allotment of adequate funds. This should be based on Document Number 13 (1989) of the General Office of CPC Central Committee and be resolved by financial departments. Funds for the investigation of major and serious cases during the antipornography drive must be assured.

He called for perfection of the legal system. All localities must hasten the drafting and perfection of local rules and regulations for managing publications and audiovisual markets in order to bring them within the control of a legal framework as soon as possible. Localities which have drawn up and promulgated rules and regulations for managing publications and audiovisual markets must

conduct publicity and education on these regulations during their promulgation and should regularly monitor their implementation.

He called for a general shakeup. The management of publications and audiovisual products must come under the unified control of party committees and governments at all levels. All localities and departments must conduct the shakeup in unison in order to produce real results. In particular, departments in charge of the press, radio and television broadcasts, public security, and business concerns must fulfill their duties and, of their own accord, cooperate and coordinate in the antipornography drive. Departments managing public security and business concerns must fully recognize the special importance of the publication market in the ideological and cultural spheres and actively exert their authority and superiority. They must devote more energy to the management of the publication market and enforce strict control. Customs authorities should also tighten control to stamp out the smuggling of banned materials into the country. Railway, transportation, and post and telecommunications departments must take firm and effective measures to coordinate with the relevant departments in order to prevent their use as conduits for spreading pornographic and illegal publications. The judiciary and the procuratorate must, according to law, mete out severe punishment to criminals involved in the production and marketing of pornography and illegal publications. All departments must show care and support for frontline personnel who have scored successes in the antipornography drive.

He also demanded: It is necessary to implement social supervision. It is necessary to rely on social organizations and the broad masses. Fundamentally speaking, managing the publications market is a social undertaking. It is necessary to mobilize all sectors of society and the vast numbers of grass-roots units and to rely on the masses. Particularly, it is necessary to arouse the initiatives of trade unions, youth federations, women's federations, and other social organizations, as well as schools and education departments, to strengthen social supervision.

In his report, Liu Zhongde stressed the need to work hard to make publications prosperous while waging a resolute antipornography struggle.

He said: The purpose of waging the antipornography struggle is to bring prosperity to publications. By taking back the ideological and cultural fronts, the antipornography struggle will contribute to the prosperity and healthy development of publications and literature and art. Only when publications and literature and art are prosperous and when healthy, rich and colorful products of the mind—products which are loved by the masses—take over the ideological and cultural fronts, will the fruits of the antipornography struggle be consolidated once and for all. Like the antipornography struggle, bringing prosperity to publications is indispensable to

safeguarding national and social stability. The ideological field plays an important role in this regard. While waging a vigorous antipornography struggle, we must work hard to bring prosperity to publications and literature and art in order to satisfy the diversified spiritual and cultural needs of the masses in various respects and at different levels and to create a good cultural environment and favorable public opinion. This will have an important, positive effect on stabilizing the general situation and developing the economy. At the same time, this will also help produce socialist spiritual goods and forge closer ties between the party and masses of people in the ideological and cultural fields.

He pointed out: The kind of prosperity we need is one created under the guidance of correct ideology. We will never allow the return of these messy things under the name of prosperity. We must continue to uphold the orientation of serving the people and socialism and the policy of letting a hundred flowers blossom and a hundred schools of thought contend. We must strengthen the main theme of the socialist period in our cultural and literary and art works. We must use concrete and lively cultural and literary and art forms to exhibit achievements in the country's socialist construction over the past four decades, to reflect from different perspectives the contributions and achievements made by physical and mental workers in all trades and professions to the development of the economy and the building of socialist spiritual civilization, and to express the mental outlook of our people of different nationalities in their struggle for unity and progress and in their efforts to safeguard the unification of the motherland and bring prosperity to the country. We must pay attention to bringing in, publishing, and absorbing the rich cultural wealth of other peoples. We must pay even more attention to sorting out, digging out, popularizing, and promoting our nation's fine cultural traditions, particularly our nation's folk literature, art, music, dance, and painting.

He said: The task of developing our socialist literature and art is an even more formidable and gigantic project that requires courage, care, and patience to accomplish. Party committees and governments at all levels must earnestly intensify their leadership over this project and place it on their agendas of important affairs. They should attend to the development of literature and art as well as publishing business like they would in accomplishing the "food basket project." In other words, they should attend to the production of the people's essential spiritual food as if it were one of the people's necessities for living.

According to the report, the priority projects to develop literature and art include planning—especially the planning of major shows; promoting cultural activities among the masses; devising effective economic measures essential for enhancing literature and art development and publishing business; and training literature and art workers. It says: Positive efforts must be made to discover and train a large number of writers, performers,

and publishers who are ideologically reliable, morally trustworthy, and professionally competent, and to enliven the cultural market wherein "antipornography" achievements and China's gratifying political stability, economic recovery, and the development of peaceful and friendly relations with foreign countries can be fully demonstrated.

In conclusion, Liu Zhongde pointed out: The mission before us is heavy, and leadership is the key to accomplishing this mission. We hope party committees and governments at all levels will, as always, earnestly intensify their leadership over the "antipornography" drive, coordinate the forces in all quarters, and centralize their plans and actions so that they will do their work effectively together. Leading comrades must be personally involved in the handling of major cases occurring in major areas or units to make sure that noticeable results will be achieved in the collective "antipornography" drive to be carried out this winter and next spring. He said: The "antipornography" drive is a useful service the CPC has rendered to people throughout the country following the Fourth Plenary Session of the 13th CPC Central Committee, and substantial success has already been achieved from the very beginning. Now, under the correct leadership of the CPC Central Committee and the State Council, let us continue to carry out this "antipornography" struggle so as to contribute our share to our country's stability and economic development.

#### **Li Ruihuan, Others Attend**

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[Text] Beijing, October 22 (XINHUA)—At a national conference on anti-pornography today, the Chinese Government urged officials at all levels to take effective measures to rid the country of all pornographic items in order to create a fine social environment.

The national conference was convened in a response to a call from the central government. Li Ruihuan, Li Tieying, Ding Guangeng and other leading officials attended the meeting.

Liu Zhongde, deputy secretary-general of the State Council, stressed in his keynote report that China will firmly push forward with its opening to the outside world.

He said that China has opened a window that has ushered in fresh air as well as flies and mosquitoes. It is good to have fresh air and the window should remain open, but flies and mosquitoes must be wiped out.

He stressed that anti-pornography means the clearing of cultural and spiritual garbage and that the campaign will be good for the opening to the outside world.

Wang Renzhi, head of Propaganda Department of the CPC Central Committee, said that the campaign, which was launched in June of 1989, has yielded remarkable successes.

Statistics show that by the end August of this year, 32 million illicit books or magazines and 2.4 million audio and video products had been destroyed. About 783,000 items of forbidden printed matter that had been smuggled into the country had also been confiscated.

Liu Zhongde added that the anti-pornography campaign has produced far-reaching significance to the construction of socialist ethics and promoted cultural activities among the broad masses of the people.

He said that it is a long-term strategic task to advance the socialist cultural and ethical development. Illicit books and magazines pollute the social environment and could work to ruin the future of the state and the nation.

According to Liu, China should step up the campaign against pornography, get rid of cultural garbage and stop the spread of these items.

He said that in the meantime, the purpose of the anti-pornography effort is to help the culture flourish, and that the government will continue to implement the policy of "let a hundred flowers blossom and a hundred schools of thought contend."

#### **Tian Jiyun Attends Disaster Relief Symposium**

OW2310134290 Beijing XINHUA Domestic Service  
in Chinese 1041 GMT 22 Oct 90

[By XINHUA reporter Yang Zhaobo (2799 0340 3134)]

[Text] Beijing, 22 Oct [XINHUA]—At the National Natural Disaster Relief Symposium which opened today, Tian Jiyun, vice premier of the State Council and chairman of the China Committee of International Decade for National Disaster Reduction, said that in order to realize the grand strategic target of quadrupling the total value of the gross national product by the turn of the century, it is essential to do a good job in disaster relief work and to enhance our ability to fight natural disasters while we unwaveringly adhere to the policy of reform and opening to the outside world to develop our national economy.

This particular symposium is jointly organized by 14 national level associations which include the Chinese Association for Science and Technology, the Chinese Society of Irrigation, the Seismological Society, and the Society of Geophysics. Topics covered in the symposium include flooding, waterlogging, droughts, earthquakes, land cracks, landslides, mud-rock flows, soil erosion, wind, fire, hailstorms, seismic sea waves, windstorms, and other major natural calamities of China. This is the first comprehensive and large scale multi-disciplinary disaster relief academic meeting ever held in our nation.

Tian Jiyun said that all of society must be mobilized in order to effectively carry out disaster relief work. China has numerous types of natural disasters spreading throughout the country and occurring regularly. In every area, there is a constant possibility of natural disaster striking; hence, we must all be well prepared for the fight

against natural disasters. Organizing and mobilizing all trades and professions of society and involving the masses in disaster relief work is the key to ensuring success in disaster relief work. We must continuously deepen propaganda on disaster relief activities, raise the awareness of all nationalities on the vital significance of alleviating natural disasters and strengthen the masses' understanding of disaster relief.

Tian Jiyun said: Alleviating disaster is waging war against natural disasters. People's governments at all levels must strengthen leadership and unite all organs so as to reduce damages caused by natural disaster to the lowest level with the minimum of input. He stressed the need to rely on scientific technology in alleviating disasters. Although there are many factors in the occurrence of natural disasters, there are always causal factors that play the dominant roles. Through the study of these causal factors we can gradually grasp the pattern of various disasters. Through summing up our forefathers experience and learning the advanced experiences of foreign countries, we shall be able to seek ways to forecast, prevent, and fight natural disasters. Applying technological means or other proven ways to raise the ability to fight against disaster are important aspects of utilizing scientific technology of alleviating natural disasters. It is a proven fact that it is not possible to achieve the limited disaster relief target without the use of scientific methods.

Some 100 experts from the Ministry of Civil Affairs, the Ministry of Water Conservation and Power, the Ministry of Geology and Minerals, the State Seismological Bureau, and the State Meteorological Bureau, as well as scholars from various regions attended the symposium.

#### **Procurator General Stresses Anticorruption Drive**

*OW2110041290 Beijing XINHUA Domestic Service  
in Chinese 1200 GMT 17 Oct 90*

[By RENMIN RIBAO reporter Mao Lei (3029 4320) and XINHUA reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 17 Oct (XINHUA)—Liu Fuzhi, procurator general of the Supreme People's Procuratorate, today in a speech demanded: Procuratorates at all levels should pay special attention to nailing major cases. Based on the situations in their localities, they also should mobilize the masses to form anticorruption microclimates and press ahead with the nationwide anticorruption campaign.

At the Second National Procuratorial Conference on Anticorruption Investigation, which concluded today, Liu Fuzhi stressed: The next step in the anticorruption campaign is to focus on the "thoroughness" of the job. This means to give wide publicity to state laws and party policies on a timely basis, encourage the masses to report corruption cases, urge those involved in corruption cases to give themselves up, and adopt measures in good time that will stabilize society and ensure economic development.

Zhang Siqing, deputy procurator general of the Supreme People's Procuratorate, spoke at the conference. He pointed out: While enjoying progress in the honest government drive and fully affirming the fruit of our efforts, we also should soberly recognize that the anti-corruption mission is still very arduous. A considerable amount of cases uncovered by procuratorial organs this year were committed after the "Circular" of the Supreme People's Court and the Supreme People's Procuratorate was released last year. This shows that indeed there still are big and small "adventurers" in our society and that indeed there still are a few weak-willed people in party and government organs who cannot withstand the tests of reform and the opening drive. We must firmly understand, therefore, that the anticorruption campaign is a long-term struggle and will last as long as the reform and opening policy does.

Zhang Siqing stated: It is necessary to continue the drive to uncover and punish bribery cases. We should continue to focus on those professions where many corruption cases have been committed, arousing strong complaints from the masses, and on law enforcement agencies at the grass-roots level. It is also necessary to link the ongoing campaign to correct professional malpractices with the drive to crack down on those who build private houses without authorization or furnish their houses beyond set standards, and to coordinate closely with relevant departments to investigate and punish corruption cases exposed through the joint campaign.

Zhang Siqing stressed: To ensure that the anticorruption campaign will be carried out thoroughly, it is necessary to continue adherence to the principle that calls for determination, prudence, and accuracy. It is also necessary to act strictly in accordance with the law, firmly implement party and government policies including economic policies, and carefully distinguish crime from non-crime. In dealing with cases involving foreign firms and businessmen, international convention and practice should be taken into consideration.

In addition, Zhang Siqing emphasized: Special attention should be directed to ensuring that economic construction will benefit from all these efforts. We must carefully handle problems involving enterprise operations, create favorable conditions for production, and protect the legitimate rights and interests of enterprises and operators. Meanwhile, we should help enterprises institute and consolidate their rules and regulations. This will help them to plug loopholes—in their organization, management, as well as in their operational activities where corruption crimes tend to happen—in a comprehensive manner so as to prevent and reduce crimes.

#### **Song Ping on Multiparty Cooperation Under CPC**

*OW1910183790 Beijing XINHUA in English  
1459 GMT 19 Oct 90*

[Text] Beijing, October 19 (XINHUA)—Participation in government work by non-Communists is an important factor in the efforts to adhere to and improve multi-party

co-operation and the political consultation system under the leadership of the Communist Party of China (CPC).

It is also a vital component in the construction of socialist democratic politics, a senior Chinese official said here today.

At a meeting with non-communist officials attending a workshop here, Song Ping, a member of the Standing Committee of the Political Bureau of the Central Committee of the CPC, said that the united front is one of the "three principal magic weapons" for the Chinese revolution. The CPC has always attached great importance to united front work, he said.

The Central Committee of the CPC headed by Jiang Zemin has further improved the leadership of the united front work and further consolidated and developed multi-party co-operation and political consultation under the leadership of the CPC, he pointed out.

Song said that there are many outstanding persons among the non-communist parties and people without party affiliation. Promoting them to leading posts in administrations at all levels is an important way for the ruling party to get to listen to different opinions, pool wisdom and make decisions in a democratic and scientific way, he noted.

Leaders at all levels should fully trust, warmly support and closely co-operate with non-communist officials, Song said.

He said he hoped that non-communist officials would further strengthen their sense of historical duty and mission, and adhere to the leadership of the CPC and the socialist road under all circumstances.

They should improve their ideological and political level and leadership capacity, work hard and strive to build socialism with Chinese characteristics, he stressed.

Ding Guangen, an alternate member of the Political Bureau and a member of the Secretariat of the Central Committee of the CPC, presided over today's meeting.

Entrusted by the Organization Department and the United Front Work Department of the Central Committee of the CPC, the central socialist academy organized the current workshop for non-communist officials.

The workshop opened September 15 and will close tomorrow.

#### **Li Ruihuan Inspects Shaanxi Province 11-17 Oct**

HK2310033490 Xian Shaanxi Provincial Service  
in Mandarin 0030 GMT 20 Oct 90

[Text] During his recent inspection in our province, Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee and member of the CPC Central Committee Secretariat, said: Shaanxi has two sacred places: one is Yanan, which is a sacred revolutionary place; the other is the Huangdiling [Tombs

of Emperors] in Xiyuan. Historically, this is where many dynasties established their capitals. Geomantically speaking, Shaanxi is a treasure land full of hopes. As time elapses, Shaanxi is bound to attract more attention.

From 11 October to 17 October, accompanied by Shaanxi Provincial Party Committee Secretary Zhang Boxing and others, Comrade Li Ruihuan inspected cultural relics protection work; visited peasant households; held talks with directors, managers, and party committee secretaries of some enterprises; and expressed important views in Xian, Xianyang, Hanzhong, and other areas.

When discussing the issue of ending pornography, Li Ruihuan said: Over the past year, universally acknowledged achievements have been scored in the country-wide work of ending pornography. As a result, the work has witnessed a good start. We must not become complacent, however, about these achievements. Instead, we must keep sober-minded and face squarely the existing problems. We must acknowledge that in some places, not only do such activities as making and peddling pornography continue to exist but such criminal phenomena as drug-taking and drug-trafficking occasionally also emerge. If these problems could not be timely and effectively tackled, they would cause incalculable harm to the state, the nation, society, families, and individuals alike. Party and government leaders at all levels must have a strong sense of responsibility and urgency, and resolutely take forceful measures to crack down on such activities.

Li Ruihuan emphatically said: Some criminals regard making and peddling pornography and drug trafficking as a means of reaping colossal profits and run a risk in pursuing them. It is necessary to crack down seriously on such activities and make greater efforts to block the source of pornography and drugs. While concentrating efforts on cracking down on such activities, it is necessary to strengthen legal system building and establish and perfect relevant management institutions so as to fulfill all the regular management tasks in this regard and consolidate the achievements scored in the work of wiping out pornography and eliminating the six vices.

When talking about strengthening enterprise ideological and political work, Li Ruihuan said: Enterprises are places where the majority of the staff and workers gather and are the basic unit of creating wealth. Thus the enterprises' situation has an important bearing on society. Since reform, opening up, and economic invigoration, enterprises have indeed made great contributions over the past few years. In talking about reform, we believe that enterprises are the basic link and the main basis of all types of reforms. All types of reforms must proceed from the needs of enterprise reform, aim at arousing the enthusiasm of enterprises and pushing ahead with enterprise production, serve enterprise production development, and create conditions for the further development of enterprises.

**Li Ruihuan pointed out:** Enterprises are presently facing relatively more difficulties. Under such circumstances, all levels of party and government leaders must make serious efforts, go deep to enterprises in a down-to-earth manner, listen to the enterprises' views, study the enterprises' problems, and help enterprises create conditions to tide them over their difficulties. This is at once a method of promoting economic development and a need for maintaining political stability at present. Moreover, this is also the most basic way in which we implement the sixth plenary session decision and forge closer ties with the masses.

During his inspection in our province, Li Ruihuan also listened to the reports given by the relevant departments and experts of our province on the Huangdiling renovation plan. In his talks, he pointed out: On the whole, our national situation is improving daily since last year's "4 June incident." Nevertheless, there is no denying the fact that a lot of problems still exist in our country. To attain the goals we have put forward, we must enable all comrades to brace up; bring into full play the enthusiasm, creativeness, wisdom, and talents of the people of the country; and enable the broad masses of people to feel proud of being Chinese in various ways and through various channels and activities.

### **Qiao Shi Inspects Anhui Mountainous Areas**

#### **Praises Area's Achievements**

*OW2110000990 Hefei Anhui Provincial Service  
in Mandarin 1100 GMT 18 Oct 90*

[Text] According to ANHUI RIBAO, from 14 to 17 October, Comrade Qiao Shi, member of the Standing Committee CPC Central Committee Politburo, accompanied by Lu Rongjing and Fu Xishou, respectively provincial party committee secretary and provincial governor, inspected the Dabieshan area, an old revolutionary base area in Anhui Province. He praised the achievements made in ending poverty and achieving prosperity in the Dabieshan area.

Comrade Qiao Shi said: Since the Third Plenary Session of the 11th CPC Central Committee, the Dabieshan area in Anhui has certainly taken a large stride along the path toward ending poverty and achieving prosperity, and has made remarkable achievements. It is hoped that the current policies will remain unchanged, and that on the new Long March, the people will further display the spirit of waging hard struggle, demonstrate self-reliance, follow the example of the foolish old man who removed the mountain, consolidate and develop the achievements already made, and strive to build the Dabieshan area into a new and flourishing socialist countryside.

The main purpose of Comrade Qiao Shi's current tour of the Dabieshan area is to inspect the work of supporting the poor. From north to south of Dabieshan Mountain, the trip covered a total of more than 400 km. He visited factories, rural areas, and peasant households in Yuexi, Huoshan, and Jinzhai Counties; called on grass-roots

cadres, veteran fighters, and party members of the New Fourth Army, ordinary workers, and peasants; and had cordial talks with them to understand their work and livelihood. This has greatly inspired the people of the Dabieshan area—the base area during the Red Army period and the old revolutionary base area where the roving army was fighting here and there during the Liberation War period.

During his inspection of the Dabieshan area, Comrade Qiao Shi also heard reports by the party committees of Yuexi, Huoshan and Jinzhai Counties on the development of the mountainous areas; and laid down demands and held out hopes for the work of shaking off poverty and achieving prosperity in the Dabieshan area.

Comrade Qiao Shi said: Shaking off poverty and achieving prosperity is a long-term task for the Dabieshan area. To speed up this work, it is imperative to firmly implement the principles and policies adopted since the Third Plenary Session of the 11th CPC Central Committee for the poor regions in the old revolutionary base areas. The Dabieshan area has made rather rapid progress in recent years, and the achievements were rather remarkable. This fully shows that the principles and policies of the party have been correct and have aroused the peasants' enthusiasm for building and developing the mountainous area. Correct principles and policies are not enough, however, the province, the prefectures, and the counties should work out concrete measures suitable to their local conditions, which should be carried out persistently. In developing the mountainous areas, we should avoid acting on impulse, such as rushing into actions every few years, at leadership turnovers or after a leading comrade comes by to make a few remarks. Nobody can stand this type of capriciousness and vacillation, which will not help the development of the plains areas, let alone the mountainous areas. The poor mountainous areas have a rather weak foundation, and depend on Mother Nature for their livelihood. To make achievements, they will face greater difficulties than the plains areas and the economically developed regions.

In a word, it is impossible to develop the mountainous areas without a stable policy. Our party has experiences and lessons in this respect that should be learned in earnest. We should unwaveringly carry out the principles and policies that have accumulated since the Third Plenary Session of the 11th CPC Central Committee, are welcomed by the people, and have been proven effective in practice. These principles and policies should be constantly developed and perfected while maintaining stability.

After hearing reports by some county leaders on the achievements made in developing the Dabieshan area in recent years, Qiao Shi said emphatically: In recent years, although some achievements have been made in the development of the Dabieshan area, there is still a long way to go before the area can shake off poverty, achieve prosperity, and become comfortably well off, which is an

arduous task. We should never rest contentedly with the achievements made. If we do, we may suffer setbacks, and those who have risen from poverty may become poor again. The Dabieshan area is a poor mountainous area, as well as an old revolutionary base area. It made tremendous contributions during the war years and has scored great achievements in the course of socialist construction. It is hoped that the glorious revolutionary traditions of the people of the old revolutionary base area will be perpetuated; that the spirit of the foolish old man who removed the mountains and the spirit of the new Long March will be demonstrated; and that greater efforts will be made to develop the mountainous areas through self-reliance and by waging hard struggle in order to catch up with the development of moderately developed areas throughout the nation as soon as possible.

To achieve this goal, it is necessary to adopt long-range plans and work in a down-to-earth manner. Those areas that have already solved the problem of food and clothing and have a relatively weak foundation should be concerned with consolidating their achievements. As the saying goes: A boat sailing against the current must forge ahead or it will be driven back. Only by effectively consolidating their achievements will they make new progress. Those areas that have done well in shaking off poverty should continue to make progress and greater improvements, that is, they should make progress while consolidating their achievements and vice versa. The Dabieshan area will hold great promise if the people there work hard from generation to generation.

Comrade Qiao Shi pointed out the importance of leading bodies to the success in the development of the poor areas. He said: I agree with you that building the leading bodies at all levels is crucial to changing the face of the poor. This work should be done persistently to yield good results. Leading bodies that are incapable of leading the people to achieve the goal of shaking off poverty and achieving prosperity should be readjusted and augmented. The first thing is to appoint the main leaders, such as party branch secretaries, party committee secretaries, and heads of the governments at all levels. This matter is very important. If the leading bodies lack the enthusiasm and readiness to lead the masses in practicing self-reliance and waging hard struggle for an extended period of time, then changing the face of the poor mountainous areas will remain empty talk.

On the contrary, if the leading bodies have the enthusiasm, they can spur the hundreds and millions of masses on to actions and rely on the strength of the people to overcome difficulties. The tasks of ending poverty, achieving prosperity, and changing the face of the poor are also a way to temper and test party members and cadres. Young cadres and graduates from colleges or technical secondary schools cannot get tempered just by working in offices. To become useful and qualified personnel, they should temper themselves at the grass roots. College diplomas alone will not make qualified

people. Only by immersing themselves in reality and joining the worker-peasant masses in transforming the society can intellectuals develop their talents in practice and become people with true talents and knowledge.

The poor mountainous areas are a good place for training and tempering cadres. Party member-cadres will also foster closer ties with the masses in the course of changing the face of the poor mountainous areas, thereby bringing the party, the cadres, and the masses closer together. Those who cannot meet the needs of the new Long March and who have lagged behind will be eliminated in the course of changing the face of the mountainous areas. Under the new historical conditions, these people have changed because they are unwilling to continue to serve socialist construction and toil with the masses. Some of them may not be corrupt elements, but they have failed to play the role expected of party member-cadres. Only by cleaning these people from our ranks can we maintain the good spiritual outlook of our cadres and our party, and guarantee success in the development of the poor mountainous areas.

During his inspection tour in the Dabieshan area in our province, Comrade Qiao Shi also visited the Jinzhai County Revolutionary Museum; heard a work report by the responsible comrade of the provincial party committee; received party, government, and military officials of the province, as well as delegates to the congress of advanced discipline inspection organizations and outstanding discipline inspection cadres; and posed for photos with them.

#### Stresses Continuing Party Line

OW2010234790 Beijing XINHUA Domestic Service  
in Chinese 1123 GMT 19 Oct 90

[By reporter Jiang Zhimin (5592 1807 2404)]

[Text] Hefei, 19 Oct (XINHUA)—On a recent inspection tour in Anhui's Dabieshan area, Qiao Shi, member of the Standing Committee of the CPC Central Committee Political Bureau, stressed the need to unservingly continue the line and the series of principles and policies formulated by the party since the Third Plenary Session of the 11th CPC Central Committee, in particular those policies and measures well received by the masses and proven by actual practice to be effective for helping people escape poverty and become better off. This, he said, is the only way to stabilize and develop the rural economy and enable poor mountain areas to throw off poverty and embark on the road to affluence as soon as possible.

Between 14 and 17 October, Qiao Shi inspected Yuexi, Huoshan, and Jinzhai counties and Luan City in the Dabieshan area in the company of Lu Rongjing, secretary of the Anhui provincial party committee, and Fu Xishou, governor of the province. On this inspection tour, Qiao Shi visited forest farms, tea plantations, fields, factories, and peasants' houses. The main purpose was to find out how the local masses had cast off poverty

and become better off and to become acquainted with the current situation of economic development in this mountain area.

On the morning of 14 October, when Qiao Shi had just arrived in Anhui's Yuexi County from Hubei's Yingshan County, he started to inspect the forest zone composed of Mingtangshan and Miaodaoshan. This forest zone comprises two state-owned forest farms and 12 village-operated forest farms covering a total acreage of 300,000 mu. The mountains are covered with Huangshan pine, masson pine, fir, and broad-leaf trees. Seeing the green mountains here and there, Qiao Shi told county and township cadres and responsible persons of the forest farms: "It is a good measure to close hillside areas to other activities in order to facilitate afforestation, and this measure should be persistently carried on for a long time to come. If you spend three or five more years afforesting all the remaining barren mountains, then the natural ecological environment, the economic condition, and the people's living standard throughout the mountain area will be gradually improved."

During the past few years, a number of industrial enterprises have been established in the Dabieshan area. In particular, village and town enterprises have developed rather quickly. In Huoshan County, Qiao Shi visited, with great interest, the county's processing plant that makes products for export. Established by Gui Shaosong and seven other peasants in 1981, this plant utilizes the wild plant resources as well as farm, sideline, native, and special local products in the mountain area as raw materials and turns them into export products through manufacturing or aging processes. The products are sold to such distant countries and regions as Japan, Singapore, the Philippines, Hong Kong, and Macao. In 1989 alone, this plant scored a foreign trade volume of 12.03 million yuan and earned \$3.1 million in foreign exchange. In the plant's show room, Qiao Shi looked carefully at the 30-odd different products made by this plant, including weicai [5633 5475], juecai [5615 5475], chestnut kernels, frozen ginkgo, fried sweet potatoes, and frozen vegetables, while listening attentively to a briefing by plant director Gui Shaosong, known as a peasant-entrepreneur.

During the inspection tour, Qiao Shi made many visits to peasants, grass roots cadres, veteran party members, and old former fighters of the Red Army and New Fourth Army. At Longwang village, Yaohe township, Yuexi County, he called on a 65-year-old former fighter of the New Fourth Army named Wang Yongliang and inquired about the details of his family's living conditions and production work.

Qiao Shi also visited Liu Lunde, a peasant known to the local people as the "rich fish breeder," at Paifangfan Village in Huoshan County's Luoerling town. Since 1984, Liu Lunde has contracted for a large body of water to raise fish. He also raises pigs and operates a marsh gas business, using what is known as "three-dimensional agriculture." In recent years, his family's net income has

been close to 20,000 yuan annually. Because of his example and assistance, all 22 families in his village have become affluent through raising fish. Qiao Shi said to Liu: "I hope you will continue to work hard and become even richer!"

On improving the peasants' livelihood, Qiao Shi said to the leading members of the provincial party committee and the provincial people's government, who were accompanying him: The peasants now have money in their hands, and they will spend the money on improving their livelihood after spending as much as possible on expanding their production. If the peasants want to build houses, we should support them, but we must also intensify guidance and control.

Jinzhai County was part of the bastion of the central revolution in the Hubei-Henan-Anhui areas. As soon as he arrived in the county on the afternoon of 15 October, Qiao Shi visited the Jinzhai County Museum of Revolutionary History, whose name was inscribed by Comrade Deng Xiaoping, and paid tribute to the revolutionary martyrs. With a sigh, he told the prefectural and county leading cadres: The party organizations and people in the Dabieshan area have made great sacrifices for the Chinese people's liberation. Their contributions are enormous, and we have the responsibility to build up this area. Authorities in Dabieshan have achieved significant successes in assisting the poverty-stricken people in recent years, and many formerly impoverished families no longer need to worry about their basic needs in food and clothing. These successes, however, are preliminary. We must carry forward the Red Army's Long March spirit and the spirit of the foolish old man who removed mountains, firmly carry out the party's lines and policies, and earnestly lead the masses to fight poverty and achieve prosperity. Only by doing this can we really wipe out poverty in the poverty-stricken mountainous areas and help the people become well off.

During the inspection, Qiao Shi also underscored the need for all leading groups to be stronger. He said: During the new Long March, we must have stronger party organizations and intensify ideological education among the vast number of party members and people. Members of all leading groups, in particular, must be spiritually sound. Leading groups that fail to lead the masses to triumph over poverty and become affluent must be restructured and reinforced. Under the new historical conditions, if a leading cadre is unable to press forward, and is unwilling to work hard with the people, he is not qualified to be a leading cadre. As for those who have seriously abused their authority for personal gains and violated the law, they must be seriously handled, and some must be expelled from the party. Only by doing this can our party forge closer flesh-and-blood ties with the masses and can we achieve greater success in building a stronger party and promoting socialist ethics.

Qiao Shi also visited the Meishan Dam and the hall in which a model of the Bi-Shi-Hang River irrigation project was on display.

**ACFTU Plans To Revise 1950 Trade Union Law**

*OW2210003590 Beijing XINHUA Domestic Service  
in Chinese 0021 GMT 19 Oct 90*

[By reporter Xu Kehong (1776 0344 3163)]

[Text] Beijing, 19 Oct (XINHUA)—China's new "Trade Union Law" will be a revised version of the 1950 "Trade Union Law."

A responsible person of the All-China Federation of Trade Unions [ACFTU] recently confirmed that a recent meeting of the presidium of the ACFTU adopted the principles laid down by the secretariat of the federation for a revision of the "Trade Union Law." The secretariat holds that it is necessary only to revise the 1950 "Trade Union Law," not to enact a new law. Therefore, all the articles of the 1950 "Trade Union Law" that are still applicable will be retained. At the same time, some additions and revisions will also be made to meet the present situation, on the basis of our experience of the last 40 years since the founding of the People's Republic and in accordance with the stipulations of relevant documents issued by the central authorities.

According to the responsible person of the federation, it has been more than 10 years since China planned to revise the "Trade Union Law," and now the conditions are ripe for the revision. Recently, the ACFTU and the departments concerned of the National People's Congress jointly solicited opinions about the revision from various departments and localities, and have basically reached an agreement. The departments concerned are stepping up their work so that the revised "Trade Union Law," which hundreds of millions of workers are longing for, will be promulgated at an early date.

**Rising, Uneven Rural Education Development Noted**

*OW1810223890 Beijing XINHUA in English  
0856 GMT 18 Oct 90*

[Text] Beijing, October 18 (XINHUA)—The general education level of China's rural labor force has risen steadily, reaching the level of primary school graduation, thanks to economic and cultural development.

Statistics show that the farmers received an average of 6.03 years of schooling in 1989, an increase of 7.7 percent over 1985. In addition, the number of illiterate and semi-illiterate people in rural areas has decreased by 5.3 percent since 1985, dropping to 22.57 percent of the total last year.

A sample survey of 67,000 rural households showed that 77.43 percent of the labor force in rural areas had received education at or above the primary school level by the end of 1989.

Among these were 31.43 percent junior middle school graduates, 6.81 senior middle school graduates, 0.45 percent polytechnical school graduates, and 0.08 percent college and university graduates.

With the increasing popularization of education, more farmers are now able to apply scientific methods to farming. As a result, their annual income is higher than those without an educational background.

The statistics also revealed an uneven development in rural education across the country.

**Economic & Agricultural**

**Statistics Bureau Spokesman Holds News Conference**

**Quickening Economic Recovery**

*OW2410090890 Beijing XINHUA in English  
0811 GMT 24 Oct 90*

[Text] Beijing, October 24 (XINHUA)—The Chinese economy is recovering at a faster pace these days, with the GNP climbing 2.7 percent to 1,197.7 billion yuan in the first three quarters of this year.

Zhang Zhongji, spokesman for the State Statistics Bureau, told a press conference here today that agricultural production has broken out of stagnation and the total grain output is expected to hit 420 million tons this year.

Industrial production is getting back to normal, with a year-to-year growth rate of 7.5 percent in September. The first three quarters saw an increase of 3.1 percent in production to 1,402 billion yuan-worth, he said.

Progress was also reported in capital construction. China has poured 26.8 billion yuan into 200 key state projects in the past nine months.

The state foreign currency reserve is growing. China's exports rose 14.2 percent to 41.4 billion U.S. dollars in the first quarter, while imports dropped by 14.6 percent to 36.5 billion U.S. dollars.

However, he said, China's economic development is also meeting some difficulties and problems, such as rising inventories, inefficiency and financial problems.

He disclosed that the rate of profits tax of state-owned enterprises has dropped by 21.5 percent in the past three quarters. Financial revenue was up 13.7 percent and expenditure up 16.8 percent in the period.

He suggested that the government should improve macro-management and control, and further readjust the product structure.

**Unemployment, Deficit Figures**

*OW2410090990 Beijing XINHUA in English  
0813 GMT 24 Oct 90*

[Text] Beijing, October 24 (XINHUA)—China has been able to keep the unemployment rate within three percent this year as industrial production is improving.

Zhang Zhongji, spokesman for the State Statistics Bureau, told a press conference here today that there are about three million jobless people in China, accounting for three percent of the total labor force.

He said that last year's unemployment rate stood at 2.6 percent.

He admitted that state-owned enterprises are marked by inefficiency, with losses totalling 20 billion yuan in the first three quarters of this year, twice the figure for last year.

The number of enterprises running at a loss accounts for one third of the total, he said.

He blamed this on sluggish markets, poor management and stockpiles of goods—about 120 billion yuan-worth.

Thus, he said, the state should further improve the management of enterprises and perfect the production responsibility system.

These economic losses have also affected the state revenue, he said. The state's financial revenue was up 13.7 percent while expenditure was up 16.8 percent in the first three quarters.

He estimated that the financial deficit will rise to 10 billion yuan by the end of this year.

### **Inflation Rate Falls**

*OW2410091190 Beijing XINHUA in English  
0816 GMT 24 Oct 90*

[Text] Beijing, October 24 (XINHUA)—China's price rise rate has dropped to its lowest point in five years. The rate was 2.3 percent in the first three quarters of this year.

Zhang Zhongji, spokesman for the State Statistics Bureau, told a press conference here today that the central and local governments have adopted measures to slow price increases.

The spokesman said that August saw a price hike rate of 0.3 percent only—almost the same level as that of last year.

He ascribed the success to the good situation in agriculture; some food prices are even lower this year than last.

According to economists from the State Information Center, market prices will not fluctuate greatly during the rest of this year and the total retail price index is estimated to remain below five percent.

Zhang said that the trend in retail sales has turned from downward to upward since June. They increased by 2.2 percent in the first three quarters compared with last year's same period.

In September alone, they rose by 3.6 percent, he added.

But, he noted, the market still remains sluggish in rural areas. The first three quarters saw a decrease of 0.6 percent in retail sales, which totalled 603.7 billion yuan.

Nevertheless, he said, the situation will get better in the last two months of this year.

### **Success of Anti-inflation Campaign Noted**

*OW2310190290 Beijing XINHUA in English  
1534 GMT 23 Oct 90*

[Text] Beijing, October 23 (XINHUA)—China has been very successful in its anti-inflation campaign and its efforts to keep the retail price index at 4 to 5 percent, or lower, this year, a high-ranking official said today.

The official of the State Council told XINHUA that this year's price hike is noticeably lower than the previous price hikes of 17.8 percent in 1989 and 18.5 percent in 1988. It is also quite lower than the targeted price hike that was set earlier this year.

Observers here said that the degree of success that China has achieved in curbing inflation within two years would not be possible in most countries. They added that this situation proves that the austerity program is effective.

Two years ago, China suffered from a period of runaway inflation, (the retail price index hit 18.5 percent, the highest since 1950), that resulted in a nationwide buying spree.

In response to the great problem, the government adopted effective anti-inflation measures to control the aggregate demand, creating a tightened monetary policy while rectifying the market order and practising price controls.

The two years' efforts yielded a drop in the spiraling inflation figures last year, and increased price stability.

Even greater progress has been made this year. The retail price index rose 4.1 percent in January and February, 3.3 percent in March, 3.1 percent in April, 2.6 percent in May and 0.8 percent in June.

The average price index rose three percent in the first half of this year.

The official said that new price readjustment measures will be undertaken in a planned way and that the bearing capability of the people will be taken into full consideration.

"The market prices will continue to remain stable in the next few months of this year," he ensured.

### **GNP Expected To Rise 4.5 Percent in 1990**

*OW2310210890 Beijing XINHUA in English  
1500 GMT 23 Oct 90*

[Text] Beijing, October 23 (XINHUA)—Despite the slow industrial recovery, China's GNP is expected to rise

by 4.5 percent in 1990 to 1630 billion yuan, according to a forecast made by the State Information Center today.

In an address to the international seminar on inter-linked country model systems, Wang Tong, chief economist from the center, said that the national income will be up by 4.2 percent this year.

He predicted that China's industrial production will increase by six percent to 2319.3 billion yuan in 1990, thus fulfilling the annual target set earlier this year.

Due to weak demand and the sluggish market under the nationwide austerity program, China's industrial production suffered a decline beginning in October, 1989.

However, production began to pick up again in March of this year. It rose by 1.4 percent in March, two percent in April, 4.2 percent in May, and 5.9 percent in June. The average industrial growth rate for the first half of this year was 2.2 percent.

Industrial production suffered another decline in the third quarter, however, because of the unusually hot weather. It climbed only 2.9 percent in July and 4.6 percent in August.

As the weather cooled in September, industrial production picked up again, registering a 7.5 percent increase, which, according to Wang, is the country's normal growth rate.

Since the government has softened its control over the money supply and the aggregate demand, the banks have increased the number of loans made to large and medium-sized enterprises, thus helping them expand production and their market in the latter half of the year.

Since industrial production has been able to grow at a faster speed, China will meet its targeted six percent growth rate set for 1990.

In regard to the agricultural situation, Wang Tong said that 1990 has been another bumper year, yielding increased outputs of grain, cotton, edible oil and sugar. Agricultural output is estimated to have risen by five percent with a total grain output of 420 million tons.

Wang added that thanks to the reinforced levying of taxes, financial revenue will increase faster than the normal national income this year, thus raising the proportion of financial revenue in the national income.

#### Joint Venture Enterprises Post Gains

HK2310013590 Beijing CHINA DAILY in English  
23 Oct 90 p 2

[By staff reporter Liang Chao]

[Text] China's foreign-invested enterprises have seen a record increase in exports since the beginning of this year.

Exports by the enterprises had amounted to \$5.08 billion by the end of the third quarter, 57.8 percent up on the same period last year, an official from the General Administration of Customs told China Daily yesterday.

According to the official, the country's top 10 foreign exchange earners were Guangdong, Fujian, Liaoning, Jiangsu, Zhejiang and Shandong provinces, the Guangxi Zhuang Autonomous Region and the cities of Tianjin, Beijing and Shanghai.

And the proportion of total exports shouldered by China's foreign-funded enterprises had gone up from 8.9 percent in the first nine months of 1989 to 12.3 percent for the same period this year, the official noted.

The major goods exported by the foreign-invested enterprises were radio-cassette recorders, TV sets, clocks, telephones, machinery and electronic products, textile products, shoes, toys, travel products and food.

The major markets for the exported products, the official said, were Hong Kong, the United States, Japan and the European Economic Community (EEC).

Meanwhile, in the first nine months China imported 43.26 billion worth of goods and equipment to be used by its foreign-funded enterprises, an increase of 27.2 percent on the same period last year.

#### Township, Town Enterprises Prosper

HK2310042590 Beijing JINGJI RIBAO in Chinese  
7 Oct 90 p 1

[Report by Gao Yinuo (7559 0110 695  
(6079 1405 0256): "Signs of Upturn  
Town Enterprises"]

Xu Baojian  
township and

[Text] Our country's township and town enterprises, which have more than 400 billion yuan in assets, have made marked achievements after one year of rectification and improvement. In the first half of this year, township and town enterprises generated an industrial output value of 274.3 billion yuan, up 10.07 percent from the same period of last year. The scales of the enterprises gradually expanded as a result of last year's efforts in closing, stopping, merging, and changing 370,000 enterprises and in reducing 9.54 billion yuan in investment in capital construction. Output value generated by each township and town enterprise averaged 317,000 yuan, an increase of 8.5 percent over last year. Under the guidance of the state's industrial policy, and based on market needs, township and town enterprises have developed their own strong points, promptly adjusting their industrial and product structures.

On 4 October, at the first advisory forum held by the Chinese Association of Township and Town Enterprises, Chen Yaobeng, vice minister of agriculture, reported on the achievements made by township and town enterprises last year and on current problems.

According to Chen Yaobang, in the course of readjustment, some enterprises not in line with the industrial policy, or with poor economic returns, have been abolished or transformed. At the same time, more enterprises have adjusted their industrial products by new adaptions and exploration, and many more have explored the international market when faced with the sluggish domestic market. In the first half of this year, township and town enterprises produced exports worth 18.7 billion yuan, up 36.6 percent on last year.

After adjustment, the current scales of township and town enterprises throughout the country have been gradually expanding. On average, each enterprise has increased its staff from 26.5 persons to 30.7 persons, fixed assets from 90,600 yuan to 120,510 yuan, and output value from 274,000 yuan to 317,000 yuan. There are 12,000 enterprises with a total output value exceeding 5 million yuan, an increase of more than 3,000 of such enterprises over last year. In some key trades, and among some units producing quality products, enterprise groups have gradually developed, greatly increasing labor productivity.

However, the problems arising from the development of township and town enterprises cannot be taken lightly. Chen Yaobeng reported on current problems which are mainly:

First, the industrial structure adjustment has met some obstacles. The state's industrial policy demands that township and town enterprises develop the processing industry for agricultural and sideline products, but this processing industry is still two percentage points behind the overall growth rate of township and town enterprises. According to statistics from 18 provinces and cities for the first half of this year, grain processing decreased 15.4 percent compared with last year. The sluggish market has had an impact on this situation, but the main reason is that some departments and regions have not seriously implemented the State Council's regulations; they have monopolized the resources of agricultural and sideline products (except cotton), restricted the processing industry developed by township and town enterprises, and established the same factories in the urban areas to struggle with the peasants for profits.

Second, the unhealthy trend in trades has jeopardized township and town enterprises. For example, some departments used the opportunity arising from rectification and improvement to randomly assign apportionments to enterprises, collect fees, and impose fines on them. These put great burdens on township and town enterprises. Some departments used trade management, the issuing of production licenses, evaluations of product quality, or supply of cheap materials as an excuse to transfer the resources of township and town enterprises indiscriminately, or to change the ownership of township and town enterprises or their subordinate relations.

Third, there is a serious shortage of funds for production. Owing to the sluggish market and other factors such as

increased interest rates, township and town enterprises face slow circulation of funds and have difficulty in securing funds to begin the adjustment of product structure.

At the advisory forum, Fei Xiaotong, the chief adviser to the association and vice chairman of the National People's Congress Standing Committee, and advisers Lu Dong, Yuan Baohua, etc., made many fair suggestions on the development of township and town enterprises and gave positive evaluations.

#### Rural Industry's Role in Economic Growth Viewed

HK2210112490 Beijing JINGJI RIBAO in Chinese  
9 Oct 90 p 3

[Article by Guo Mantang (6753 3341 1016): "Township and Town Enterprises and the Strategic Objective of the 'Trilogy' of Economic Development"]

[Text] The survival and development of township and town enterprises conform to the national conditions of China; they are the very product of Chinese national conditions. Since the day when township and town enterprises came into being, the government has invested nothing in them and has denied them the access to the state-planned supply of raw materials. Instead, it is entirely through market regulation that they have managed to grow and expand. That is not all, though. Whenever there is some trouble, they are frequently pelted with censure from some quarters of society. They have taken a bumpy road, but what made it possible for them to survive, develop, and even become "an important pillar of rural economy and an integral part of the national economy?" Besides leadership by the party and support from hundreds of millions of peasants, the most fundamental reason is that township and town enterprises cater to China's national conditions. Their development is a solution to some problems that have been pending or that could not be solved over the past decades. They, like other newly emerged things, are endowed with strong vitality.

Not only is the development of township and town enterprises important to solving our country's grain problem, developing agriculture, arranging surplus rural labor, and changing the backward face of rural areas, it also pushes forward rural industrialization; expedites the construction of small towns, small industrial zones and other projects in the direction of rural urbanization and urban-rural integration so that the differences between town and country, and industry and agriculture can be further narrowed. This will exert a profound and far-reaching influence on the fulfillment of the strategic objective of the "trilogy" of economic development. In order to give play to the advantages of socialist system, thoroughly change the backward face of our country, and let the people lead a comfortable life, the 12th CPC Central Committee, in line with Comrade Deng Xiaoping's suggestion, drew up the strategic objective of the "trilogy" of economic development.

The tasks to be accomplished in order to achieve this strategic objective are formidable. As far as urban and rural areas are concerned, urban areas are difficult enough, but rural areas are even more so in this respect. Owing to the low labor productivity in rural areas, the per capita social product there is only 1,444 yuan, whereas the comparable figure in urban areas is 7,560 yuan, 5.2 times the former. The per capita income in urban areas is more than 1,200 yuan, whereas that in rural areas only 602 yuan at present. This is further proof that it is even harder to reach the strategic objective of the "trilogy" in rural areas than in urban areas. Therefore, how to make rural economy thrive and raise peasants' living standards in the nearest future is vital to the fulfillment of the strategic objective. Comrade Deng Xiaoping once made a profound point: "Whether or not Chinese society is stable and the Chinese economy can develop depends primarily on whether or not the rural areas can develop and the livelihood of peasants can improve. To redouble the GNP, the first thing to look to is whether 80 percent of the population has redoubled its income;" "No matter how beautifully developed the cities are, it just would not work without rural areas as a stable foundation. Therefore, we should first seek effective solutions to rural problems, adopt the policy of enlivening economy and opening up there, and bring into play the initiative of 80 percent of the entire population." This instruction given by Comrade Deng Xiaoping clearly shows that a solution to the problem concerning the rural population, which makes up 80 percent of the national total, is the key to achieving the "trilogy" of economic development. This is the principal contradiction. Then how can this principal contradiction be solved? Depending on enormous state investments in rural areas and agriculture for developing production and improving peasants' livelihood is hardly possible, as the country's financial capacity is limited. Neither is using urban industry to make up the deficiencies of rural industry possible, as a result of the slow improvement in the production efficiency of urban industry. Raising peasants' living standards by self-accumulation and self-development through crop cultivation, fish breeding, and poultry raising is an important road to prosperity, and practice in this area has been somewhat effective. However, at present, peasants' investment in farming and the output from it are out of proportion. They have to lose money in farming, let alone make any.

Raising peasants' living standards and eventually achieving the "trilogy" of economic development depend to a great extent on township and town enterprises. The wages of workers and the profit distributed among peasants in township and town enterprises in the past 10 years totaled 480 billion yuan, one-fourth of the net income of peasant population. In the past four years, more than half of peasants' net income came from township and town enterprises. The reality in rural areas has proved that the development of township and town enterprises offers a way toward, and makes contributions to achieving the "trilogy" of economic development and ensuring the livelihood of 80 percent of the population.

It not only has a role to play in freeing from poverty and becoming prosperous, but also will contribute greatly to achieving the "trilogy."

#### Enterprises, Products Receive State Prizes

OW2010184690 Beijing XINHUA in English  
1330 GMT 20 Oct 90

[Text] Beijing, October 20 (XINHUA)—More than 270 enterprises from all over China were awarded state quality plates and cups here today for the good quality of their products, which are said to be up to the world standards.

Ni Zhifu, vice-chairman of the Standing Committee of the National People's Congress, Wang Renzhong and Wang Guangying, vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference, and other leaders passed out the prize plates and cups to representatives from these enterprises.

Richard Brett, chairman of the International Electrotechnical Commission (IEC), participated in the ceremony and made a speech of congratulations.

He said the issuance of the state quality accolades embodied the achievements China has made in shaping its products into better ones in accordance with international standards and advanced foreign standards.

Xu Zhijian, deputy director of the appraisal committee of the state quality prizes, said he regarded it as "significant" to hold the awards meeting during the ongoing 54th annual conference of the IEC in Beijing.

By awarding quality prizes to enterprises and products and displaying electrotechnical products to over 1,000 representatives from the member states of the IEC, China has demonstrated its achievements in adopting international standards and advanced foreign standards. It also reflects China's determination to implement the important policy of "quality first" as well as its endeavor to promote international standardization and quality management, he added.

He said the Chinese Government has in recent years paid great attention to quality and set "more efficiency, higher quality, and more coordinated and sustained development" as the strategy for China's economic development.

#### New Product Development Projects for 1990 Set

OW2310210990 Beijing XINHUA in English  
1515 GMT 23 Oct 90

[Text] Tianjin, October 23 (XINHUA)—China's program to experiment with and test new products has appraised 1,766 projects concerned with the development of new products.

The appraisal has shown that 885 of these projects meet relevant international standards and another 794 are domestically advanced.

The program was jointly created by the State Science and Technology Commission, the State Administration of Taxation, the State Administration of Commodity Prices, the Industrial and Commercial Bank of China and the Ministry of Materials and Equipment. It was designed to lead and encourage the development of new products.

Incomplete statistics show that since its implementation in 1988, 645 of the projects planned for 1988 have already achieved an output and profit valued at 960 million and 130 million yuan respectively. These projects are located in Sichuan, Hebei, Zhejiang, Gansu, Fujian and Henan provinces, the Ningxia Hui Autonomous Region, the Beijing Municipality, and Chengdu and Shenzhen cities.

It was learnt such projects enjoy preferential treatment in taxation, pricing, and the supply of credits and materials.

#### **Yangtze Development Research Project Approved**

*OW2010141590 Beijing XINHUA in English  
1307 GMT 20 Oct 90*

[Text] Beijing, October 20 (XINHUA)—A research project on the development of the Yangtze River valley passed an evaluation by experts here today.

The project, called the "ecological construction and economic development strategy for the Yangtze River valley", was drawn up by 87 scientists from the local Yangtze Academy of Ecological Science.

Thirty-two experts from a variety of scientific disciplines attended the evaluation meeting, which was sponsored by the State Science and Technology Commission.

One of the biggest rivers in the world, the Yangtze River crosses China from west to east, and the Yangtze River valley is rich in natural resources and densely populated.

The experts said that the research into this area has remarkable significance not only for economic construction in China, but also for studies on similar river valleys in the rest of the world.

According to Zufa, director of the Yangtze Academy of Ecological Science, part of this research project received a grand prize in September at the National Invention Convention 1990.

#### **Li Senmao on New Eurasian Continental Bridge**

*OW2010083190 Beijing XINHUA in English  
0748 GMT 20 Oct 90*

[Text] Beijing, Oct 20 (XINHUA)—China will further strengthen efforts to update 4,100 kilometers of trunk railway lines along the new Eurasian continental bridge.

Li Senmao, minister of railways, in an interview with "PEOPLE'S DAILY", said that the railway update was required to suit the needs of international railway through transport.

The new continental bridge, which in September linked the Atlantic and Pacific oceans, has a total length of 10,800 kilometers. It runs through China, the Soviet Union, Poland, Germany and the Netherlands.

The continental bridge passes through five Chinese provinces—Jiangsu, Anhui, Henan, Shaanxi and Gansu—as well as the Xinjiang Uygur Autonomous Region. It is linked to a railway network that covers 80 percent the country. [sentence as received]

The Chinese Government will invest more in upgrading the existing railways in the next few years to expand the transport capacity of the continental bridge.

Technical updating is in progress on the Xuzhou-Lianyuangang section of the Lianyuangang-Lanzhou Trunk Railway Line, and on the eastern section of the Lanzhou-Urumqi Railway Line. Updating will increase the transport capacity of the two lines when the entire Eurasian continental bridge becomes operational in 1992, said the minister.

At the same time, construction of division lines, new passageways, and construction of transshipment stations at the Alataw Pass are under discussion, according to the minister.

Many ports in Asia and the Pacific region, including Tianjin, Qingdao, Shanghai and Huangpu, as well as Hong Kong, will all be connected by the continental bridge. The availability of through transport will greatly promote economic development of areas along the railway. The minister particularly stressed the significance of the system for the development of northwest China.

#### **Article on Integrating Planned Economy, Market**

*HK2210055690 Beijing ZHONGGUO JINGJI TIZHI GAIGE in Chinese No. 9, 23 Sep 90, pp 25-27*

[Article by Xiao Yingzhi (5618 5391 2535) and Xiao Qing (2556 2532): "A Preliminary Discussion on Integrating Planned Economy and Market Regulation"; first paragraph is ZHONGGUO JINGJI TIZHI GAIGE editor's note]

[Text] Reform is a very complicated and arduous systems project, in which we not only need to do a great deal of practical work, but also need to carry out in-depth theoretical explorations. The relationship between planning and market in the socialist economy is a major theoretical and practical issue of substantial content. At present, there exist different opinions and debates on this issue in economic theoretical circles and in economic departments. Although it is impossible to completely solve this issue in a short discussion, as long as we approach it from different angles and at different levels

in our exploratory practice and pool our collective wisdom, we will be able to gradually move closer to the truth.

The relationship between planning and market is a key issue and main subject in both theory and practice since the reform and opening up policy was adopted. When discussing the basic outline of reform and development in the Eighth Five-Year Plan period, we found it more necessary to discuss the proper combination of the planned economy with market regulation.

We hold that so-called "planning" generally includes three aspects: First, government-formulated economic policies (such as financial and monetary policies); this part is referred to as "policy planning." Second, the economic plans laid down and issued by the government or various government departments as administrative orders. Third, economic plans that are used as a guide. It is noteworthy that when discussing this issue, we should not confuse the concept of planned economy with economic planning or the planning system.

At the present stage, to properly combine the planned economy with market regulation in our country, we must solve the following three questions: First, how to properly evaluate the functions of planning and market in economic development; this is the key to controlling the proper "degree" of the combination of the planned economy with market regulation. Second, what is the present obstacle to the combination of the planned economy with market regulation at the ideal level? Third, at present and in a fairly long period to come, what efforts should the government make to remove such obstacles and to create conditions for organically combining effective state economic control with the market forces' regulatory functions. In this article, we would like to express our opinion on these issues in connection with the practical experience of our country and some foreign countries.

## I.

Historical experience has shown that because some socialist countries previously neglected the role of the market mechanisms; laid lopsided stress on the role of the product economy's mechanisms; and took the mandatory plans, which were laid down as administrative orders, as the best embodiment of the economic policy in any period; this unavoidably resulted in the low efficiency of resources distribution. In a certain sense, the essence of our country's economic reform is to replace the previous resources distribution form based on administrative orders with a new resources distribution form based on market mechanisms. That is to say, through reform, we will establish a socialist commodity economy in which resources are distributed through the market, which is subject to socialized management and the government's administrative guidance.

Affirming the market's function in resources distribution does not mean that the state's direct intervention in resources distribution through planning and other means

should be negated. Particularly in developing countries, which are situated in different economic development stages, the state must retain a certain capacity and means for directly intervening in resources distribution or even in specific enterprises' use of resources in order to ensure the development of industry, the urbanization of the national economy, and the shift of a large quantity of the rural population to modern industry. If we do not rigidly adhere to a specific form of planning and do not use a static and absolute viewpoint to approach the means and methods of formulating and implementing the plans, and if we instead approach the functions of planning and market mechanisms from a high plain, we will find that planning and the government's role in socialist economic development are obviously indispensable.

First, the market mechanisms cannot resolve all economic problems. Since the 1930's, academics in developed capitalist countries have come to realize the following points: First, market mechanisms cannot automatically resolve the contradiction between gross demand and gross supply, so it is necessary for the government to adopt a series of measures to overcome such problems as economic recession, unemployment, and inflation. Second, market mechanisms cannot play a role, or can only play a modest role, in certain domains, such as national defense, the fringe benefits society needs, and social welfare. Third, competition will cause individual interests to deviate from social interests in economic life. The settlement of all these issues requires the state's planned formulation and implementation of various economic and social policies. In fact, in the course of economic development in Western countries, the government has always played an indispensable role in shaping the market rules and supervising the market operation. The Western states did not give up administrative guidance to, or policy intervention in their economies because they called theirs a market economy. At present, the Western governments have to submit to their parliaments budgetary reports as long as several hundred pages, and about half of the national income is subject to the scope of the government's financial redistribution plan.

Second, among the developing countries, the organic combination of market mechanisms with effective government control represents their realistic selection through summing up experience and learning lessons from failures. After World War II, some developing countries, such as India, imitated the Soviet Union's example in industrialization, stressing the state's planned management over the national economy and restraining the role of market mechanisms. On the other hand, some countries, such as Thailand, neglected the government's guiding role, while stressing the free market's effectiveness in distributing resources. At present, these two categories of countries have learned from each other's strong points and have been trying to integrate market mechanisms with the government's planned control in various ways. South Korea and some Central and

South American countries made remarkable achievements by building powerful and effective state planned control on the basis of market mechanisms.

Third, in our country, like in other developing countries, aside from the contradiction between the feeble market mechanisms and the original economic structure, the national economy's microeconomic foundation will continue to greatly influence and restrain the normal performance of market functions. It is expected that in the near future, the existing public enterprises' various organizational forms and behavior mechanisms will continue to be involved to a certain degree of logical contradiction with the commodity economy, so it is necessary to bring the resolving and coordinating role of planning into play.

According to this analysis, we hold that our country's economic structural reform will lead to the replacement of the original resources distribution form based on administrative orders with the distribution form based on market mechanisms. On the other hand, the government's role of comprehensive balancing, macroeconomic controlling, coordinating, partly directing the distribution of resources, and intervening in enterprises' activities through economic planning should also be brought into play so that the functions of both planning and market can be fully performed. When mandatory plans are formulated, consideration must be given to supply and demand conditions on the market, and the law of value must be respected and applied. The guidance plans should be fulfilled through the use of various economic levers. Market regulation should also be subject to the state's planned guidance and control.

## II.

Breaking through the original planning structure, which was highly centralized and inflexible, marked the starting point of our country's reform in the past years. With the market's growth, we have made gratifying progress in the practice of combining the planned economy with market regulation. However, so far we have not yet resolved two major problems that hinder the combination of planning with market in reality. First, the market, which is still too weak, does not have adequate capacity for properly playing a role in distributing resources. The organizational forms and behavior mechanisms of the enterprises (mainly state-owned enterprises), which constitute the main body of the market, are reacting poorly to market signals, which hinders the market's normal growth. Second, there is a lack of effective means of implementing the plans, and this affects the government's effective regulation and control over the economy.

The enterprises, which constitute the market's main body, themselves form a factor on the market. After reform began, the enterprises were still short of self-controlling organizational mechanisms and were not required to actually undertake business risks and responsibilities. After the market was decontrolled, all the enterprises increased the sense of participation in the

market to different degrees. For example, they wanted to free themselves from administrative intervention and obtain the power to determine their own purchases and sales. However, at the same time, when the market's uncertainty brought difficulties and risks to their business, they also showed a tendency toward trying to estrange themselves from the market. Such an estrangement tendency among the enterprises made the market lack a main body that could actively participate in market activities and had an enterprising spirit. On the one hand, when receiving the market signals, the enterprises did not want to make corresponding changes, such as adjusting the product structure, according to the market signals. On the other hand, they also lacked the necessary capacity to make such effective reactions. So the market's growth not only needs the state's participation, but also requires reorganizing enterprises' internal management mechanisms.

The organic combination of the planned economy with market regulation requires that the government's macroeconomic management capacity be strengthened. A few years ago, because we lacked effective means for ensuring the fulfillment of the plans, unplanned development appeared to a certain degree under the planned structure. To a large extent, this was caused by the irrationality of the enterprises' microeconomic management mechanisms, which made it hard to bring the economic plans' macroeconomic controlling role into play.

From the above analysis, it is not hard to find that what obstructs the organic integration of planning with market is the market's insufficient growth and the weak macroeconomic management and control caused by the lack of effective means for ensuring the fulfillment of the plans. These two factors both are related to the organizational forms and operational mechanisms in existing public enterprises. Does this mean that public ownership is incompatible with market regulation and the commodity economy? In our opinion, although there exist differences and contradictions between public ownership on the one side, and market regulation and the commodity economy on the other, they are still compatible. As long as the property rights of the public enterprises, as well as their responsibilities and incentive relations, all are clearly defined and valid so that the enterprises obtain independence in their business operations in real terms, then the market will be able to operate normally and smoothly on the microeconomic basis of public ownership. According to the available theory and experience, the irrational behavior of our country's state-owned enterprises is caused primarily by the fact that enterprises are managed as government institutions and the market mechanisms (including the price policy) have not developed soundly. Facts show that only through in-depth reform can we achieve the goal of realizing the organic combination of the planned economy with market regulation.

III.

When promoting the organic combination of the planned economy with market regulation through in-depth reform, we must try to make breakthroughs in the following aspects: First, deepening enterprise reforms. Reforms in this field inevitably will touch the concrete form of the property rights under public ownership; otherwise, it will not be possible to avoid the enterprises' short-term behavior and to change their tendency of estrangement from the market, their poor reactions to market signals, and the lack of self-controlling organizational mechanisms and risk-undertaking ability and responsibility. Second, quickening the market system's growth and perfecting the market mechanisms so that the market's regulatory role can be brought into full play. Enterprises should be gradually pushed into the market through the gradual growth and expansion of the commodity market and the production factor market. Third, improving the macroeconomic managing and controlling mechanisms. This includes steps for strengthening the organizational building of the macroeconomic management institutions, building a scientific and democratic system for economic policy decision-making, and increasing the accuracy and scope of the application of the economic levers. At present, many targets in economic improvement and rectification have been achieved or have almost been achieved. The long-standing seller's market has begun to be replaced by a limited buyer's market, and the economic environment has become more relaxed. This provides a good opportunity for in-depth reforms.

**Article Examines Organizational Restructuring**  
*HK2210090190 Beijing JINGJI GUANLI in Chinese*  
No. 8, 8 Aug 90 pp 10-13, 18

[Article by Chen Jiagui (7115 0163 6311); "On the Adjustment of the Organizational Structure of Enterprises"—edited by Lin Daojun (2651 6670 0689)]

[Text] The organizational structure of enterprises is an important component part of the organizational structure of the national economy. It covers horizontal organizational structure; vertical organizational structure; and large, medium-sized, and small scale structure of enterprises. Whether or not the organizational structure of enterprises is rational is an important yardstick for measuring how optimized is the economic structure of a country; it is also an important organizational guarantee for combining microeconomic management with macroeconomic management.

After 40 years of construction since the founding of New China, particularly as a result of development in the past 10 years, China has established a comprehensive industrial system made up of over 500 trades. In 1989, there were some 8.1 million industrial enterprises of various types in China, and independent accounting was practiced in more than 420,000 of them. These achievements have caught the attention of the whole world. However, we must also see that the organizational structure of

these enterprises still is far from rational. The major problems include: The level of coordination based on specialization is low, and there still are many "large and comprehensive" and "small but comprehensive" enterprises. Management by trade is poor, and malpractices such as blind and overlapping construction, minor projects squeezing out major ones, and backward projects squeezing out advanced ones still prevail. Rational division of work among large, medium-sized, and small enterprises is lacking, and the industrial structure is far from rational. The average size of enterprises is small and economic return to scale is poor. There is no distinction between government and enterprise functions, and the phenomenon in which the government assumes the function of the enterprise, or vice versa, prevails to a serious extent. Although a lot has been done to overcome these ills in recent years, the effects have not been very impressive, partly because the traditional system still has its deep-rooted influence and partly because of improper reform measures. Blind and overlapping construction is becoming increasingly more common, and this has posed serious problems to the adjustment of the organizational structure of enterprises. The adjustment of the organizational structure of enterprises is an important aspect of the current task of economic improvement and rectification. We must attach great importance to this task, seize the opportunity, and take effective measures so as to bring about a turn for the better in the organizational structure of enterprises and lay a solid foundation for the achievement of optimum organizational structure.

**Adjust the Horizontal Organizational Structure of Enterprises, Promote the Optimum Organization of Production Factors**

Our aim in adjusting the horizontal organizational structure of enterprises is to do away with the old system, which features barriers between different departments and regions and between enterprises, as well as "large and comprehensive" and "small but comprehensive" units. In accordance with the objective requirements for the development of the socialist commodity economy, we are to establish a new, network-type organizational structure based mainly on horizontal ties so as to promote the optimum organization of production factors and improve economic performance. In recent years, we have done a good deal of work in this connection and have achieved considerable successes. First, a large number of integrated economic bodies of diverse forms have been established through horizontal economic integration between enterprises. Statistics show that at the end of 1987, some 6,780 industrial enterprises at or above the county level in the whole country had participated in different forms of horizontal economic integration. Their investment totaled 12.57 billion yuan. Second, mergers between enterprises have been promoted. In order to promote the rational flow of production factors between enterprises, pilot projects of property rights exchange markets have been set up in eight cities.

Incomplete statistics of 27 provinces, autonomous regions and directly administered cities in 1989 revealed that 2,856 enterprises that enjoyed favorable conditions had formed mergers with 3,424 poorly managed enterprises. Among these, mergers in the form of assuming liabilities accounted for 73 percent; mergers in the form of purchase accounted for 19 percent; while mergers in the form of assuming equity control accounted for eight percent. The merging of enterprises not only helps promote the adjustment of organizational structure, but also enables some poorly managed enterprises to overcome their difficulties. Third, a number of enterprise groups have been established. According to statistics of 33 provinces, autonomous regions, directly administered cities, and cities that are listed independently in the state plans, integrated economic bodies bearing the title of enterprise groups numbered 1,539 at the end of 1988, with industry accounting for 49.3 percent; building construction, 3.1 percent; commerce, 4.8 percent; transportation, 0.2 percent; agriculture, forestry, animal husbandry and fishery, one percent; service trades, 0.6 percent; and foreign trade, 0.3 percent. Among these, more than 100 are large enterprise groups that measure up to relevant requirements, and 15 of these are listed independently in the state plans. The development of enterprise groups is playing an important role in promoting the structural reform of Chinese enterprises, enlarging the scale of enterprises, developing economies of scale, and promoting the integration of scientific research and production, of industry and finance, as well as of military and civilian production in the military enterprises.

However, many problems still exist in the adjustment of the horizontal organizational structure of enterprises. The major problems are: 1) The lack of planned guidance has, to a certain extent, resulted in short-sighted activities and blindness. For instance, some localities only concerned themselves with immediate interests and did not take long-term interests and long-term strategic objectives into consideration when developing horizontal economic ties. Some processing enterprises producing oversupplied products increased their production capacity even further through integration, thereby making their products even more unsalable. These instances were due the lack of planned guidance, or to ineffective planned management. 2) The effect of enterprise integration left much to be desired because it was not carried out in close conjunction with enterprise reorganization. Some enterprises treated the development of horizontal ties as the mere "kneading" together of different units, and did not carry out reorganization in accordance with the principle of coordination based on specialization. As a result of this, the strong points of each enterprise could not be fully brought into play. To facilitate administrative management, some localities even casually placed some enterprises into the "pocket" of a single company. In this kind of company, the absence of internal links of production between enterprises means that there is no coordination based on specialization. Such integration is in form only. With too

many things to attend to, this also means that the company cannot conduct its business effectively. 3) Integration and mergers across regional and sectoral boundaries are few and far between. Due to administrative restrictions between regions and sectors and to the effects of the system of fixed financial quotas, it is still quite difficult to develop transsectoral and transregional integration. Merger of enterprises across regional and sectoral boundaries and the establishment of close-knit integrated bodies are even more difficult to achieve. Hence, there still are considerable limitations to the optimum organization of production factors. 4) The cohesive force of the integrated economic bodies is generally weak. At present, most integrated economic bodies are loosely organized, with the participating enterprises retaining their own independence. The cohesive force of this kind of integrated body is naturally weak and unstable. Some of the close-knit and integrated enterprise groups also lack a strong cohesive force because they are still at a primary stage and the internal ties have not yet been properly sorted out. According to investigations, only about 10 percent of existing enterprise groups have a strong cohesive force.

The adjustment of the horizontal organizational structure of enterprises is a protracted and arduous task. Only by making an unremitting effort in this connection can we achieve good results. During the period of economic improvement and rectification, particular attention should be paid to the following four tasks: First, strengthen macroeconomic planned regulation, control, and guidance. Governments at various levels should organize integration and merger between enterprises in accordance with the state's industrial policies and programs for the development of respective trades. At present, work should be focussed on the weak links of the national economy and on goods in short supply, such as energy, transportation, and raw and semifinished materials. The state should adopt policies to promote and encourage integration and mergers that are conducive to industrial structure and product mix adjustments, technological transformation, and coordination based on specialization. Various localities also should closely combine integration and merger between enterprises with regional planning and regional development strategies in order to bring their own strong points into play and optimize the regional economic structure. Governments at various levels should also promptly find out about the ideological and concrete problems confronting the integration and merger of enterprises, formulate policies that encourage the reorganization and integration of enterprises, arouse the enthusiasm of enterprises in integration and merger, and help enterprises tackle concrete problems arising in the course of reorganization. Second, large and medium-sized enterprises should be taken as the backbone, and fine-quality brand-name products should be taken as "dragon heads." Developing enterprise groups around large enterprises and forming multiform and multilevel integration can fully bring into play the strong points of the integrated bodies and strengthen their cohesive force, so that they can truly

play the role of "national teams." Fine-quality brand-name products have a ready market, are highly competitive, and have high economic returns. However, some enterprises producing this kind of product had difficulty expanding their production due to limitations in terms of funds, sites, factory premises, and so on. In the economic improvement and rectification, some enterprises producing unsalable, inferior, but expensive products are hard-hit and have totally or partially suspended production. Reorganizing and merging these enterprises by taking fine-quality brand-name products as the "dragon heads" can yield rapid results and great economic returns with a small amount of investment. Third, combine economic means with administrative means. At present, when enterprise and government functions are not yet separated and enterprises are still subordinate to administrative organs, we cannot fully rely on economic means to promote the integration and merger of enterprises. We can only make good headway by combining economic means with administrative means. For enterprises under different administrative jurisdiction, different approaches should, of course, be adopted. Toward enterprises belonging to different administrative jurisdiction, integration and merger should be brought about mainly through economic means while stressing the principle of voluntary participation and mutual benefit. Toward enterprises under the same administrative jurisdiction, economic means also should be adopted to promote integration and merger as a rule. However, administrative means should be adopted to force certain enterprises to suspend production, close down, switch to other lines of production, or merge with other enterprises. These include enterprises that are producing unsalable and inferior but expensive products, those that have a long record of losses, those that are seriously polluting the environment, and those that can truly improve their social benefits through integration and reorganization. This will promote the adjustment of the organizational structure of enterprises. Fourth, improve the enterprise groups. Particular attention also should be paid to fostering export-oriented enterprise groups. Existing enterprise groups should be consolidated. Those that bear the title of groups but in reality are loosely organized integrated bodies should no longer be allowed to be called enterprise groups. Neither should they be allowed to establish administrative companies in the name of establishing enterprise groups. The parent bodies of these groups, which play the core role, should be strengthened through amalgamation, merger, expansion, renovation, and other means. The consolidated strata of the enterprise groups should be expanded through share participation, equity control and other means.

The semi-consolidated and loose strata of the groups should be expanded through coordination based on specialization, production, operation integration, and other means. The decisionmaking power of the enterprise groups should be enlarged to the extent commensurate with the tasks they shoulder. In the course of improving the enterprise groups, particular attention

should be paid to the fostering of export-oriented groups by offering these groups preferential treatment, enlarging their export and import powers, and encouraging them to develop international ties so they can take part in international competition as "national teams."

#### Adjusting the Vertical Organizational Structure of Enterprises, Strengthen and Improve Management by Respective Trades

As the position of enterprises as relatively independent commodity producers strengthens, the modes and methods of enterprise management also should be reformed. As a corresponding measure, the vertical organizational structure of enterprise management also needs adjustment.

There are three different forms of vertical organizational structure of enterprise management: First, comprehensive economic management departments of the state which exercise the function of economic regulation and control; second, competent departments of enterprises and state asset management departments which exercise the function of owners; third, trade associations and companies of respective trades which exercise the non-governmental function of managers of respective trades. In this article, I will concentrate my discussion on the third organizational form and its structural adjustment.

In recent years, trade associations have seen considerable development in China. They are beginning to play their due role in formulating programs and technical standards for respective trades, improving the relations between the government and the enterprises, coordinating certain production and operating activities of enterprises of the same trade, defending the legitimate rights of enterprises of respective trades, and providing counseling and other services to member enterprises. However, problems have also cropped up in the course of development. The major problems are: 1) Development is too rapid. Before 1986, the development of trade associations was more normal. After the pace of institutional reform and the consolidation of administrative companies was quickened in 1987, the development of trade associations picked up speed. Since management could not keep pace with needs and due to the lack of a strict system of approval and registration, trade associations mushroomed. Many of these are of identical or similar nature, and some enterprises have joined several such associations at the same time. The blind development of associations not only soils their reputation, but increases the burden of enterprises. 2) The organizational setup is not strong. Many trade associations are not organized on the basis of voluntary participation by enterprises, but are replicas of government administrative departments or administrative companies. For this reason, they do not have the support of enterprises of their respective trades, are understaffed and underfunded, and have poor working conditions. Their organizational setup is far from strong. Some trade associations are even attached to certain government administrative departments, administrative companies,

or large enterprises, and are run by the same people who run these units. This makes it very difficult to unfold work in a normal way. 3) The role is not obvious. According to investigations, among the numerous trade associations only about 10 percent can fully play their role and are welcomed by the enterprises. The majority of trade associations do not have a obvious role, and a few of them simply have not played their part. Hence, it is necessary to strengthen management over the establishment of trade associations. First, the principle of democracy and voluntary participation and the procedure of initiation at the lower level and decision at the higher level should be adhered to in the establishment of trade associations. Second, there should be rational division of work between the government trade management departments and the trade associations. The actual conditions in China merit the retention of government trade management departments, but it is still necessary to properly handle the relationship between these government departments and trade associations.

On the level of the organizational system, since the management of respective trades by the government should best be kept extensive, and since the management organs (ministries of industry at the central level and the industrial departments and bureaus of various provinces, cities, and autonomous regions) are generally established along the lines of major trades, the trade associations should best be kept intensive and should be established along the lines of smaller trades at a level below the government trade management departments. In terms of function, the government trade management departments exercise comprehensive management function over the large trades as organs of state power. For instance, they are responsible for deciding major policies, drawing up development programs, formulating technical and economic policies, fixing the relevant standards, and determining the construction and distribution of key projects for different trades. Trade associations, on the other hand, are non-governmental trade management organizations. They are mainly responsible for coordinating the concrete work of smaller trades within a large trade and providing various services to the enterprises. Trade associations may provide counseling to the government, as well as offer criticism and suggestions. Hence, government trade management departments should hand over the bulk of service work—such as conducting trade surveys, trade emulation and assessment, collecting information on respective trades, and providing counseling to the enterprises—to the trade associations. Third, bringing into play the role of trade associations should go hand in hand with consolidation of trade companies. After the administrative companies have been abolished, merged, or switched to other modes of operation, part of their original function in trade management may be passed on to the trade associations. If, in a few sectors, it is still necessary to keep the administrative companies for the time being, we should not hastily set up trade associations. Otherwise there will be overlapping organs of trade management, indistinct division of work, and mutual wrangling. Fourth, the

existing trade associations should be consolidated. In conjunction with the implementation of the "Provisional Regulations on the Registration of Social Organizations," a screening of trade associations should be carried out. Those that overlap should be merged. The few associations that do not measure up to the necessary requirements or that exist in name only should be disbanded. As for the majority of trade associations, we should help them strengthen their stipulations, assert their independence, and improve their internal mechanism so they can change their function, improve their work style, and expand and optimize their services.

In adjusting the vertical organization of enterprises, a clear-cut and consistent attitude, together with feasible policies, also should be adopted toward the administrative companies of their respective trades. Through our efforts in the past few years, we have made considerable headway in the work of reorganizing the administrative companies. However, what merits attention is that some comrades are once again advocating that administrative companies of various trades be restored under the pretext of "strengthening macroeconomic regulation and control." Guided by this kind of public opinion, some trade associations once again have turned themselves into trade companies, while some trade companies that were slowly being converted into enterprises once again have strengthened their administrative management function. This practice is undesirable. First, in the present economic improvement and rectification, the resumption of certain administrative means to strengthen macroeconomic control is a stop-gap measure the state is compelled to take. When economic improvement and rectification has produced initial success, we should revert to the practice of relying mainly on economic means and deepening the reforms to resolve the problems of structural adjustment and mechanism conversion at a deeper level. If the old establishments are restored one by one, we will be creating obstacles to this change, thereby making it more difficult to carry out economic improvement and rectification and deepen the reforms. Moreover, once the administrative companies are restored, it will be very difficult to run these companies as enterprises later on.

Second, seen from the perspective of the direction of enterprise reform, it is still necessary to uphold the division of government and enterprise functions and the principle of properly separating ownership from the power of operation, and gradually enhance the ability of enterprises to assume sole responsibility for their own profit and loss, build up their own accumulation, expand through their own means and restrict their own actions, so that enterprises can become relatively independent commodity producers and operators. Administrative companies are typical organizations that combine government and enterprise functions, and as such, they go against the direction of enterprise reform. Third, seen from a practical angle, administrative companies are neither government organs of power nor non-governmental organizations for the management of

respective trades. Relying on them to management various trades not only creates an additional level of management and weakens the function of government departments for the management of various trades, but also takes away the decisionmaking power of enterprises. They will have difficulty playing their trade management role as they are welcomed neither by government trade management departments nor by the enterprises. Hence, we must unswervingly consolidate and reform the administrative companies. In the course of consolidation and reform, of course we should not seek uniformity, and should instead deal with each case on its own merits. Experience in the past few years shows that there are four options for the development of administrative companies: First, they may be developed into enterprise-like companies or reorganized into operational or service companies that mainly serve the production enterprises. Second, they may be developed into non-governmental trade associations, with thorough changes in terms of organizational form, organizational structure, the method of choosing the leaders and the method of work. Third, they may be restored as government trade management departments. When adopting this option, caution must be taken to prevent the government organization from swelling again. Fourth, they may be abolished and disbanded. As the development trend shows, there will be only two types of trade management organizations in the future: One type is government trade management departments, which will exercise the function of management of respective trades on behalf of the government; the other type is trade associations. As non-governmental trade management organizations established by enterprises of the same trade on the basis of voluntary participation, the latter type can make up for the deficiencies of management of respective trades by the government. Of course, as an interim measure, it is all right to retain a few administrative companies in those trades where resources or sales are monopolized. However, these companies must properly handle their relationship with their subordinate enterprises, respect the decisionmaking power of their subordinate enterprises and concentrate their main energies on the management of their respective trades. Moreover, as the reform of the economic system deepens and the relevant conditions become more mature, they should also be reformed in accordance with the above-mentioned approach.

#### Adjust the Scale Structure of Enterprises to Improve the Economic Return of Enterprises to Scale

Over the past 10 years, Chinese enterprises have seen a turn for the better in their scale structure. First, while the number of large, medium-sized, and small enterprises has risen substantially, the increase in the number of large and medium-sized enterprises far outstrips that of small enterprises. In 1988, the number of large enterprises was 1,879 more than in 1979, up 144.6 percent; the number of medium-sized enterprises increased by 4,287, up 133.5 percent; and the number of small enterprises increased by 59,750, up 17.1 percent. Second,

while the output scales of various enterprises all registered increases, the growth rate of large and medium-sized enterprises exceeded that of small enterprises. During the 1980-1988 period, the total output value of large enterprises increased by 323.813 billion yuan, up 259.8 percent; that of medium-sized enterprises increased by 197.231 billion yuan, up 219.1 percent; while that of small enterprises increased by 440.357 billion yuan, up 155.8 percent.

However, we should also see that compared with the advanced industrial countries, the scale structure of Chinese enterprises is still lagging a long way behind. This is mainly manifested in the following four areas: First, the average scale of Chinese industrial enterprises is a lot smaller than in the developed countries.

In terms of assets, some of the large enterprises abroad have assets worth scores of billion dollars, while the largest of our enterprises are only worth several billion dollars at the most. The gap in output is even greater. For instance, an automotive plant in an industrial nation can produce several million vehicles annually, while our largest automotive plant can produce only several hundred thousand vehicles a year. Second, most Chinese enterprises are single-factory enterprises, and truly comprehensive corporations are relatively few in number so that trusts or large enterprise groups cannot be formed. To a certain extent, this has affected the economies of scale of enterprises. Third, even under the present level of productivity, very few of our enterprises are operating on a rational scale. Statistics show that among the 1,600-plus paper mills and 400-plus breweries in China, only about eight to 12 percent, respectively, have reached the minimum requirement for rational scale. Among the 130-plus washing machine factories, only nine, or 6.9 percent, have reached the minimum rational scale with an annual output of 200,000 sets. Fourth, Chinese enterprises have a low level of coordination based on specialization. Statistics show that among the 6,100 and more state enterprises at and above the county level under the former Ministry of Machine-building Industry and its affiliated organizations, about 80 percent are "large and comprehensive" and "small but comprehensive" factories that can handle the whole production process. Hence, the scale of Chinese enterprises appears quite large in terms of workers and assets, but their output is very low.

In our present effort to adjust the scale structure of enterprises and improve their economic return to scale, we should concentrate on grasping the following tasks: First, we should concentrate our energy on the construction of key projects and build a number of large enterprises in a planned way. Through our efforts in different periods since the founding of New China, we have established a number of large backbone enterprises centering on the construction of key projects. These have played an important role in our economic construction and have served to adjust the organizational structure of Chinese enterprises. In the present economic improvement and rectification, we should, in conjunction with

the adjustment of the industrial structure, concentrate manpower, material, and financial resources on the construction of key projects in the fields of energy, transportation, and basic, raw, and semifinished industries. In this way, a number of new and large backbone enterprises will be built and the composition of large, medium-sized, and small enterprises will be further improved. Second, we should further deepen the reforms and create favorable conditions for the development of large and medium-sized enterprises. In order to invigorate the large and medium-sized enterprises in the state sector—besides giving them favorable treatment in the allocation of funds, materials, and transportation facilities—we should, more importantly, deepen the reform of enterprises, further enlarge the decisionmaking power of large and medium-sized enterprises, and increase their ability to manage their own affairs, assume sole responsibility for their own profit and loss, work for their own expansion, and restrict their own actions. Third, we should adopt correct policies and measures to guide the healthy development of small enterprises and give full scope to their positive role. While bringing the backbone role of large and medium-sized enterprises into play, we should also pay attention to developing the strong points of small enterprises, promoting their transformation and improving their quality. We should guide the small enterprises to develop in the direction of becoming small but specialized, sophisticated, and unique units. We should also strengthen macroeconomic guidance over the small enterprises and restrict their blind development through economic, legal, and administrative means. Fourth, we should strengthen the ties among the large, medium-sized, and small enterprises, further promote coordination and integration based on specialization, and bring about rational division of work. In order to achieve the coordinated development of large, medium-sized, and small enterprises it is necessary to establish a rational proportional relationship between enterprises of various scales. More importantly, however, there should be rational division of work, and harmonious ties of production should be established between them. Large and medium-sized enterprises should give their support to small enterprises in terms of funds, technology, personnel, and so on in a variety of ways. Small enterprises, on the other hand, should take positive steps to coordinate with large and medium-sized enterprises by offering a variety of services.

### Official Predicts Record Grain Yield

*OW2310190090 Beijing XINHUA in English  
1547 GMT 23 Oct 90*

[Text] Beijing, October 23 (XINHUA)—China's grain output is expected to reach 425 million tons this year, the largest yield in the past four decades, a high-ranking government official declared today.

The official from the State Council said that the grain output of this year will be 17.5 million tons, 4.3 percent more than last year's record high.

The cotton and sugar harvests will increase more than one-fold while oil bearing harvests will more than double. Sharp increases are also expected in the outputs of meat, aquatic products, fruits and vegetables.

According to a forecast from the State Information Center, China's agricultural output value will increase by five percent, to 655 billion yuan in 1990.

Analysts here said that favorable weather has played an important role in this year's bumper harvest.

An additional factor is the government's concentrated efforts, since the beginning of this year, to develop agriculture. Various trades have been mobilized to support agriculture. Banks, for example, have increased farming loans.

The official said that agriculture is the foundation for the development of the economy and social stability. So, China will speed up the pace of agricultural modernization.

He said that agricultural situation of the past two years was fine, but the infrastructure is still weak and could not withstand a severe flood or drought.

Thus, he said that the agricultural development must be a strategic priority and the production responsibility system should be further perfected.

He added that in the meantime, the state, localities and farmers should work to increase capital, technological and labor inputs in farming.

China will also reform the existing farm produce distribution system and readjust the economic policy, with grain as the main component.

### Central-South Region

**SHENZHEN SHANGBAO To Resume Publication**  
HK2210151090 Hong Kong TA KUNG PAO in Chinese  
17 Oct 90 p 2

[“Special Dispatch:” “SHENZHEN SHANGBAO To Resume Publication on New Year’s Day”]

[Text] Shenzhen 16 Oct (TA KUNG PAO)—SHENZHEN SHANGBAO, whose publication was suspended for rectification in the wake of the Beijing “4 June” storm last year, will officially resume publication on New Year’s Day 1991.

The new SHENZHEN SHANGBAO is a comprehensive economic paper run by the Shenzhen City people’s government.

The new SHENZHEN SHANGBAO is in a folio of four pages, to be published every Wednesday and Saturday and circulated at home and overseas.

### Guangxi Holds Rural Reform Conference

HK2410014590 Nanning Guangxi Regional Service  
in Mandarin 1130 GMT 23 Oct 90

[Text] The regional conference on exchanging rural reform experiences, which was held by the regional party committee, began in Nanning today.

The conference will mainly relay and study the speeches made by Comrade Jiang Zemin and Comrade Song Ping at the National Forum on Rural Work, exchange the fresh experiences gained by various areas in deepening rural reform, establishing and perfecting community-wide cooperative economic organizations, stabilizing and perfecting the two-tier operation system characterized by integration of centralization and decentralization in the rural areas, developing and expanding the collective economy, improving various types of socialized services, and so on, and study goals, tasks, and measures aimed at further deepening rural reform.

At this morning’s meeting, Comrade Tao Aiying, deputy secretary of the regional party committee, and Comrade He Youjia, director of the rural policy research office of the regional party committee, relayed the importance speeches made by Comrade Jiang Zemin and Comrade Song Ping respectively at the National Forum on Rural Work.

A total of more than 240 people, including the party committee and work committee secretaries and deputy secretaries with special responsibility for rural work and the agriculture commission directors from all prefectures, cities, and counties of our region, including the Huangchenggang District, as well as the responsible persons of the relevant departments directly under the regional authorities, attended the meeting.

**Prospects for Hainan’s Yangpu Zone Construction**  
HK2410021990 Hong Kong MING PAO in Chinese  
17 Oct 90 p 9

[“Special dispatch” from Hainan by staff reporter: “Construction of Hainan’s Yangpu To Go Into Full Swing Next Year”]

[Text] News about the Yangpu Development Zone in Hainan Province, which once aroused great interest, has been quiet for a while since the 4 June incident. Kumagai Hong Kong Limited, which had intended to take on the contract, has yet to sign it. However, the company’s responsible persons recently exhibited renewed interest, while Hainan Province’s Governor Liu Jianfeng also indicated, during a visit to Japan, that construction of the Yangpu Development Zone will go into full swing in the first half of next year.

Reports indicate that Kumagai has demanded certain preferential terms which are even more favorable than those accorded to special zones, but the central authorities have arguments about them. Concerned authorities on the Chinese side hope to resolve the issue “with contracts instead of policies.” Responsible persons of Hainan Province’s office on the Yangpu Development Zone have recently been working on the central authorities in Beijing and hoping for further leniency.

In fact, management of this “free port,” which is being planned as “China’s first free port,” has yet to be affirmed by Beijing.

Speaking to Hong Kong reporters in Haikou City the other day, Zhong Wei [0112 1218], responsible person of Hainan Province’s office on the Yangpu Development Zone, indicated that Beijing’s central authorities have not yet affirmed Hainan Province’s proposal to develop Yangpu as a free port, but neither have they vetoed it. If this management method is adopted in the future, Hong Kong’s experience in this area will provide important reference for Hainan, including the political system of “small government, big society” as well as the financial and foreign trade systems.

Zhong Wei said that Hainan authorities remain steadfast in their determination to develop Yangpu, and expressed optimism over its future. Meanwhile, Kumagai has not yet indicated its abandonment of the project. When Hainan Governor Liu Jianfeng passed through Hong Kong after his visit to Japan recently, Yu Jingbo [0060 6975 3134], director and general manager of Kumagai Hong Kong Limited, reiterated its commitment to the project.

The Chinese side is also aware that this was affected by the Western sanctions against China following last year’s 4 June incident. Hainan Governor Liu Jianfeng specifically took with him to Japan the heads of the province’s economic planning bureau and policy research office, who explained to Japanese business circles the environment as well as preferential terms for investment in

Hainan, stressing that Hainan will further deepen reforms and expand its open policy.

Moreover, Zhong Wei also revealed that aside from Kumagai wanting to secure the contract for development of 30 square km of land inside the Yangpu Development Zone, other foreign and Taiwanese businessmen have also expressed keen interest in Yangpu. So far, 10 projects have been identified, including petrochemicals, paper making, technical reprocessing, and others, with the scope still under discussion.

At present, construction of two 20,000-ton ports and one 3,000-ton port in the Yangpu Development Zone has been completed and they have been turned over for operation. The State Council in Beijing has just issued a directive approving immediate use of the ports. However, pending the start of official construction in Yangpu, these ports are unlikely to be put to practical use.

#### **Henan Rewards Intellectuals for Contributions**

OW2410094390 Beijing XINHUA in English  
0921 GMT 24 Oct 90

[Text] Zhengzhou, October 24 (XINHUA)—Sixty-one experts, scholars and promoters of science were rewarded yesterday by provincial authorities in Henan, central China.

Those rewarded will receive regular monthly government subsidies for life.

According to local authorities, intellectuals in Henan have made great contributions to the advancement of science and economic development in the province.

In the past six years they have achieved results in 4,572 research projects, and 1,867 of the projects have won national or provincial prizes. In addition, a number have reached both national and international technical levels.

Statistics show that these projects have already produced a direct economic return of 3,017 million yuan.

At the awards ceremony, Hou Zongbin, secretary of the Henan provincial committee of the Communist Party of China, urged local authorities to improve their assistance to intellectuals.

He said the provincial authorities will continue to increase input in scientific research and education, and improve the living and working conditions for intellectuals.

#### **Hunan's Xiong Qingquan Tours Rural Areas**

HK2310133290 Changsha Hunan Provincial Service  
in Mandarin 2300 GMT 18 Oct 90

[Excerpts] Three days after the provincial party representative conference was closed, provincial party Secretary Xiong Qingquan and vice secretaries Chen Bangzhu

and Sun Wensheng, taking with them responsible comrades from relevant quarters in the provincial party committee and provincial government, came to the rural part of Liling City for an inspection with much zest, and visited the cadres and villagers here.

Liling is one of the counties and cities in our province which is designated for developing single-crop cultivation. This year, it has become the first city in our province where the per mu output of grain exceeds one metric ton.

On 16 October, leading cadres including Xiong Qingquan, Chen Bangzhu, and Sun Wensheng came to (Liudang) Village, (Junzi) Township, and (Longzi) Village, (Sunjiawan) Township, Liling City. As they arrived, a scene of neat, golden rice fields met their eyes and the three leading cadres were delighted. [passage omitted]

Having read through the villagers' income accounts, asked about their financial situation, and listened to the report by the responsible comrades of Liling City, the three provincial party committee leaders offered some important opinions on how to further develop agriculture in our province. Following are excerpts of their talks. [passage omitted]

Provincial party Secretary Comrade Xiong Qingquan said: Just now, the two comrades said something. When talking about high yield, we should also pay attention to high quality, high efficiency, and high income. Quality is a big problem for us. We will widen price disparities in the future, that is, high price for good quality. Differences are found with industrial products, and now it is the turn of agricultural products.

The other problem is efficiency, and how to enhance efficiency. The key to it, well, today, the township leader of (Sunjiawan) said, [indistinct words mingled with giggles]. It seems that efficiency should be seen from various angles. The policy, yes, the problem of policy.

When it boils down to it, it is the income that counts. Peasants should have higher income. If not, then when you say nice things about the Communist Party and socialism, eh, they wouldn't believe you. In the past dozen years, since the third plenary session of the 11th party Central Committee, the peasants have seen their income rise, brought on by their efforts in production. If their income stays where it used to be, they will have a lot of complaints. So this question should be given much thought. We have to think about how to increase the peasants' income. [last sentence indistinct]

#### **Southwest Region**

##### **Liu Zhengwei Inspects Industrial Production**

HK2310044390 Guiyang Guizhou Provincial Service  
in Mandarin 2300 GMT 21 Oct 90

[Text] Yesterday, provincial party Secretary Liu Zhengwei; Zhang Yuhuan, chairman of the provincial People's

Congress Standing Committee; Guiyang City party Secretary Li Wanlu; and other leading comrades went to Guiyang Cigarette Factory, Guizhou Rubber Shoes Factory, and Guiyang City No. 2 Plastics Factory to inspect industrial production there. They called on the vast numbers of workers, staff members, and masses to give play to the spirit of being the country's masters, vigorously do a good job of industrial production in the remaining 70 days of this year, strive to make more contributions to the country, and try every possible way to fulfill and overfulfill this year's industrial production targets.

In Guiyang Cigarette Factory, factory director (Zhang Yingtong) gave a briefing on the factory's industrial production and operation in the period between the first and third quarters. Inspired by the spirit of greeting National Day and the Asian Games, the industrial output value reached 612 million yuan, up by 10.2 percent over the same period of last year, while the amount of tax paid, 600 million yuan, was up by 42 percent. After discussions at the workers' congress, the workers and staff members strived to make more contributions to the country by overfulfilling output value by 20 million yuan. Upon hearing this, provincial party Secretary Liu Zhengwei said: The spirit of being the country's masters held by the workers and staff members here is highly commendable and worth carrying forward. Cigarette factories are one of the mainstays of the province's financial revenue. Great efforts should be made to produce quality cigarettes of famous brands and continue to devote time and energy to adjusting the product mix to acquire better economic results.

(Zhou Baohua), factory director of Guiyang City No. 2 Plastics Factory, briefed the provincial and city leaders on how the factory entered into coalition with three enterprises in which production was at a standstill. By doing so, they have not only overcome difficulties in production for several hundred workers and stabilized the contingent of workers and staff members, but also aroused the enthusiasm of workers and staff members, developed a number of new products, and brought about rapid development in production. Various welfare undertakings, such as housing for workers and staff members, have grown out of nothing and more than 100 families have moved into new houses. Zhang Yuhuan, chairman of the provincial People's Congress Standing Committee, said: To practice socialism is to develop production and improve the people's livelihood. Enterprises must have a really firm grasp on production and devote vigorous efforts to producing more marketable products with high quality.

On their inspection tour to Guizhou Rubber Shoes Factory and Guiyang City No. 2 Plastics Factory, Liu Zhengwei, Zhang Yuhuan, Li Wanlu, and other leading comrades went to workshops to salute the workers and staff members working there, and had cordial talks with some of the workers. They heeded the opinions and demands of the enterprises, and helped them overcome some difficulties. The leading comrades encouraged

workers and staff members to do their own jobs well, strive to fulfill or overfulfill this year's state plan, produce more readily marketable products, and make more contributions to rejuvenating the economy of the province.

#### **Hu Jintao Calls on Armed Police Personnel**

*OW2210151990 Lhasa Tibet Television Network  
in Mandarin 1300 GMT 21 Oct 90*

[Report by De Ga and Xiang Xiaolin; from the "Tibet News" program]

[Text] [Video opens with a group of leaders following a bespectacled and smiling Hu Jintao walking toward the camera while the subtitles reading "A Delegation of Leaders of the Autonomous Region Call On the Officers and Men of the People's Armed Police Corps, Public Security Cadres and Policemen, and the Officers and Men of the Prefectural Military Subdistrict" are shown across the screen; cuts to show leaders sitting in a conference room with Hu Jintao speaking, leaders shaking hands with soldiers, soldiers clapping their hands, Hu Jintao speaking to them, leaders sitting in sofas and armchairs in conference again. Hu Jintao and other leaders standing on a platform to review troopers who, wearing helmets and holding rifles with fixed bayonets, parade in front of leaders on platform, some unit parading with their machine guns, and the leaders awarding silk banners to soldiers]

Leading cadres of the autonomous regional delegation that participated in celebrations of the 40th anniversary of the liberation of Qamdo separately called on the officers and men of the Qamdo detachment of the regional People's Armed Police Corps, the cadres and policemen of the prefectural public security department, and the officers and men of the Qamdo Prefectural Military Subdistrict to express their solicitude on the afternoon of 18 October. Among the leading cadres of the relevant departments that called on the officers and men of the People's Armed Police Corps and the public security cadres and policemen to express solicitude were Hu Jintao, leader of the autonomous regional delegation, secretary of the Tibet autonomous regional party committee, and first secretary of the party committee of the Tibet Military District; Pagbalha Geleg Namgyai, deputy leader of the delegation and vice chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC]; Lang Jie, vice chairman of the Standing Committee of the autonomous regional People's Congress; Gyamco, vice chairman of the autonomous regional people's government; Lhamin Soinam Lhunzhub, Cedain Zhoima, and Wang Hailin, vice chairmen of the autonomous regional CPPCC committee; and Yang Youcui, chief procurator of the regional People's Procuratorate. They were accompanied by (Xiangba Gadeng), secretary of the Qamdo prefectural party committee.

When they were calling on the officers and men of the People's Armed Police Corps and the public security

cadres and policemen to express solicitude, Hu Jintao said: You have made contributions to safeguarding unification of the motherland, maintaining social stability, and fighting against splittism in the course of revolution and construction in Qamdo. I would like to express sincere thanks to you. Meanwhile, I hope that you will earnestly study and implement the guidelines of the important speech delivered by General Secretary Jiang during his inspection of Tibet and the fourth autonomous regional party congress in order that you may further acquire the thinking of serving the people; keep strengthening the political, military, and logistics organization; and make more outstanding contributions to achieving stability and development in Qamdo.

When it was slightly past 1600, Hu Jintao, Pagbalha Geleg Namgyai, and other leaders returned to the Qamdo Military Subdistrict to call on the officers and men and show their solicitude. They also reviewed the troops. After reviewing the troops, Comrade Hu Jintao made a speech. He said that bearing with them the profound sentiments of friendship from the people of all nationalities throughout the region, the autonomous regional delegation conveys warm regards and pays high tribute to all the officers and men of the units stationed in Qamdo Prefecture. Hu Jintao said: The officers and men of the units stationed in Qamdo Prefecture have inherited the glorious traditions of our party and our Army, displayed the spirit of being particularly able to bear hardships and fight, and achieved great successes of marching into Tibet, liberating Qamdo, quashing rebellion, carrying out reform, guarding the border areas, and supporting construction there over the past 40 years. You have earned the love and support of the people by actions and have proved yourselves worthy of the titles of the people's own Army and the great wall of steel protecting the motherland. Comrade Hu Jintao urged the broad masses of officers and men to firmly foster the ideology that stability overrides all other considerations, further strengthen unity between the military and the government and between the military and the people, and make even greater contributions to consolidating and developing political stability and unity.

When the leaders were calling on the officers and men to express solicitude, the autonomous regional delegation also awarded silk banners to the Qamdo detachment of the regional People's Armed Police Corps, the prefec-tural public security department, and the Qamdo Military Subdistrict.

At noon on 18 October, the literary and art workers of the autonomous regional song and dance ensemble staged performances in the assembly hall of the Qamdo Military Subdistrict to entertain the officers and men of the Army units stationed in Qamdo Prefecture, the officers and men of the People's Armed Police Corps, and the public security cadres and policemen.

### Conference Held on Grass-Roots Security

*OW2310123190 Lhasa Tibet Television Network in Mandarin 1300 GMT 18 Oct 90*

[Report by Ding Qiao; from the "Tibet News" program]

[Text] [Video shows people, some in uniform, seated at a meeting with shots of Gyaincain Norbu making a speech]

The regional work conference on grass-roots security was held in Lhasa on the morning of 17 October. Gyaincain Norbu, chairman of the regional people's government, and Zi Cheng, member of the Standing Committee of the regional party committee and secretary of the regional political science and law committee, attended the meeting and spoke.

Comrade Gyaincain Norbu said: This year, our region has scored good results in both stabilizing the situation and developing the economy. This was inseparably linked to hard work by a large number of public security cadres and police. From now on, the situation in the struggle against separatism will be more complicated. He encouraged comrades on the public security front to make persistent efforts and do a good job in security foundation work at the grass roots.

Baima Duoji and Zhou Qishun, respectively director and party group secretary of the regional public security department; responsible comrades of the various units of the public security department; comrades in charge of public security under prefec-tural and city public security departments; and comrades of some county public security bureaus, as well as police stations, attended the conference, which was presided over by Comrade (Wu Qing), deputy director of the regional public security department. Comrade (Li Feng), deputy director of regional public security department, spoke about ways to strengthen grass-roots security foundation work with a view to further stabilizing the situation in the region.

After reviewing and summing up grass-roots security foundation work for the past few years, the conference maintained that, in order to better meet the situational requirements, efforts should be made to deepen understanding of grass-roots security foundation work, strengthen grass-roots organizations, attach importance to security foundation work, further reinforce public security control, and preserve public security and social order.

### Report on 'Liberation' of Qamdo Area in Tibet

*OW2210142190 Beijing in English to Western North America 0400 GMT 20 Oct 90*

[From the "Current Affairs" program]

[Text] Forty years ago on 19 October, the People's Liberation Army reached the area of Qamdo in east Tibet after winning a decisive battle against local separatists. Our Tibet correspondent Jorang Dajie's report

says this not only paved the way for the peaceful liberation of all of Tibet, it also made possible the region's overall development. This is highlighted at a celebration meeting held in the Qamdo area. Zhao Zhixin brings you the story:

[Zhao] The party committee and government of the Tibet Autonomous Region held a seminar on Friday morning to mark the 40th anniversary of the Qamdo battle. More than 200 people, including some veterans of the battle, attended the meeting. They discussed the great significance of the event and changes in Qamdo since then. Our Tibet correspondent, Jorang Dajie, said that the participants of the meeting acknowledged that the battle was an important factor for the peaceful takeover of Tibet. He said: The battle stopped the imperialists and Tibetan separatists from blocking the advancing of the People's Army. It also called for a radical change among the ruling group.

The patriotic and democratic forces in Tibet demanded a peaceful settlement of the Tibetan issue. Later, the local government was forced to send a representative to Beijing for negotiation with the central people's government. On 23 May 1951, the two sides signed an agreement on the peaceful takeover of the region. Jorang Dajie said: Under the leadership of the party committee and government of the Tibet Autonomous Region, Qamdo has undergone democratic reforms and the people have become the masters of their lives. This has greatly improved the region's social and economic development. He said: Last year, the area's grain output was three times that of the 1959 figure, while the number of livestock has doubled. Before Qamdo was liberated, there were no industries or modern transportation facilities in the area. Over the past four decades, 62 factories have been set up for electricity, building materials, mining, food processing, and machinery, and most of the region is now accessible by car. There are more than 500 schools with a total enrollment of 26,000 students. There are also 150 hospitals that have helped control and prevent epidemic diseases. Jorang Dajie said: The participants at the Friday seminar concluded that past experiences have shown that the socialist system, the unity of the country, and stability are essential to the area's overall development.

**State Council Approves Tibet Development Project**  
*OW2210141790 Beijing Domestic Service*  
*in Mandarin 2230 GMT 21 Oct 90*

[From the "News and Press Review" program]

[Text] The State Council has formally approved a project for tapping resources in Tibet's Yi Jiang Liang He middle river basin and developing the basin, a large-scale project requiring the largest investment in Tibet's history. Work on the project will begin in the coming winter and next spring.

Yi Jiang refers to the Yarlung Zangbo Jiang, and Liang He refers to the Lhasa River and the Nyang Qu River,

which are tributaries of the Yarlung Zangbo Jiang. The basin of the three rivers stretches for nearly 1,000 kilometers from east to west and currently includes more than 1.5 million mu of farmland. It is Tibet's major agricultural area. However, because of poor agricultural infrastructure, grain production in the area has not increased much over the years.

After more than two years' study and technical research, the Tibet Autonomous Region, the China Academy of Sciences, and other departments concerned have drawn up a plan to economically develop and tap resources in the area. Over 40 development projects, including agriculture, animal husbandry, industry, communications, energy, and water conservation, are included in an initial development plan. An estimated total investment of 577 million yuan will be put in the project, which is planned to be completed stage by stage within 10 years. After the entire project is completed, a modern base of commodity grain, nonstaple foods, and textile industry will emerge in the heartland of the rooftop of the world.

The CPC Central Committee and State Council attach great importance to and show great concern for the project. During his inspection tour of Tibet earlier this year, General Secretary Jiang Zemin gave high marks to the project. The central authorities will provide manpower, as well as financial and technical support to the project.

**North Region**

**Inner Mongolia Official on Economic Work**  
*SK2410013390 Hohhot NEIMENGGU RIBAO*  
*in Chinese 19 Sep 90 p 1*

[Text] In the three months and more before the end of this year, how can we enhance confidence, raise spirits, seize the opportunity, work hard, and strive to fulfill this year's economic tasks? Vice Chairman Liu Zuohui put forward eight prerequisites at an (enlarged) meeting of the autonomous regional government functionaries held on 17 September.

At the meeting, Vice Chairman Liu Zuohui gave a report on the regional economic situation in the first eight months of this year on behalf of the autonomous regional people's government, analyzed the situation and the existing problems, and made arrangements for the work tasks for the next few months.

On the current economic situation, Liu Zuohui said: Since the beginning of this year, our region has consolidated and developed the stable and united political situation, achieved notable results in economic improvement and rectification, and developed its economy along a good direction. There was a bumper harvest in summer grain, autumn crops promise a good harvest, and the animal husbandry production was the second highest in the history of the region. Industrial production picked up. From January to August, the region's industrial

output value showed a 1.24-percent increase over the corresponding period last year, the energy and raw material industries grew in a steady manner, and light industry, which had the greatest difficulties, also picked up every month and witnessed a positive increase in August. The market was stabilized and invigorated, sales began to rise, price rises declined, and the urban retail price index showed a negative increase for the first time in July. The region's January-August revenue was 7.8 percent higher than in the corresponding period last year, and its ability to regulate and control money was enhanced. At present, industrial production still has some problems that need urgent solutions. For example, the economic efficiency of some enterprises declined and they failed to fulfill their production quotas, enterprises lack circulating funds and, on the part of commercial and supply and marketing departments, there was a shortage of funds for purchasing farm and animal by-products and a shortage of grain storage capacity.

After analyzing our region's economic situation, Liu Zuohui put forward specific prerequisites for success in the work for the next few months.

Based on prevention and combat against disasters to reap a bumper harvest, we should never slacken our efforts in mobilizing cadres and ordinary people to step up preparations for harvesting, threshing, and storing of grain and for an increase in the number of livestock to be slaughtered to win bumper harvests in agriculture and animal husbandry through every means possible.

Banks, finance, commerce, grain, and supply and marketing departments should closely cooperate to raise funds for the purchases of farm and animal by-products. Instead of waiting for and relying on others in the supply of funds, all localities should tap their own potential. With the efforts of these two areas, we should do a good job in the purchases.

We should continue to invigorate the market and strengthen marketing. At present, the marketing rate is the key and we should attach importance to marketing. We should give guidance to consumption and expand sales. Products stockpiled for a long period of time may be sold at reduced prices to invigorate the circulation of funds. Different localities should carry out joint activities for commodity sales that are mutually beneficial.

We should expedite the adjustment of product mix, improve the economic efficiency of enterprises, and regard accelerated technical transformation and development of new products as the major work. We should further strengthen enterprise management and conscientiously solve the problems that management is replaced by contracts and that management is given up for fear of creating chaos.

We should step up the work to break the debt chains that tie up enterprises, production, and circulation and make sure that the work is fulfilled on schedule.

We should continue the campaign to increase production, practice economy, increase revenues, and reduce expenditures and strive for a financial balance in the whole year.

We should continue efforts to screen and reorganize companies until final success is won.

We should strengthen efforts to maintain honesty in administration and exert great efforts to correct the unhealthy trends in some trades.

#### Article Views Minority Areas in Inner Mongolia

*SK2310095890 Hohhot NEIMENGGU RIBAO  
in Chinese 21 Sep 90 p 1*

[“Commentator's article”: “Persist in the Consistency Between the Interests of the Country and the Interests of Minority Areas”]

[Text] The socialist people's republic led by the CPC carries out the regional national autonomy policy, and persists in the equality and unity of all nationalities. The fundamental purpose of this is to achieve common prosperity of all nationalities. To achieve common prosperity of all minority areas, it is necessary to persist in the principle of coinciding the interests of the country with those of minority areas.

China is a united country with various nationalities. During the protracted and the extremely arduous struggle of all nationalities making concerted efforts to build a great motherland, the interests and destiny of all nationalities have long been closely connected with the interests and destiny of the motherland. Inner Mongolia has always been an inseparable part of our great motherland since ancient times. Over the past several thousand years, Mongolian, Han, and other minority nationalities have lived and multiplied on this land, and made concerted efforts to develop and build Inner Mongolia. Over the past 40 years or so since the PRC's founding, our socialist system has provided a reliable guarantee for the equality and unity of all our nationalities, and has provided essential conditions for the common progress and prosperity of all minority areas. Therefore, in the process of carrying out the socialist construction undertakings of our motherland, along with the development and prosperity of our country, the economy and culture of minority areas have also undergone a constant development and prosperity. What has happened in the past proves that in a united socialist country embracing many nationalities like ours, the development and prosperity of various nationalities are precisely the goals our country wants to realize. These goals represent the common interests of all minority areas. All practices of separating the state interests from the minority areas' interests and setting the former against the latter are wrong. Such practices will not only infringe upon the state interests, but also make it difficult to ensure the realization of the interests of minority areas. Only by incorporating the interests of minority areas to the overall interests of the country will it be possible to

achieve common development and prosperity of minority areas. The interests of the country coincide with those of minority areas, and the interests of the country are precisely the common interests of all minority areas.

The development and prosperity of minority areas is inseparable from the support of the country and from the help of advanced areas. After more than 40 years' construction, tremendous changes have taken place in the economy and culture of all minority areas in the country, and the common prosperity of all nationalities is being realized gradually. This is a fact obvious to all. However, compared with inland developed areas, various minority areas still lag behind in economic and cultural fields. The elimination of such backwardness depends first on the self-reliance, arduous struggle, and pioneering work of the people of all nationalities in minority areas and on the further development of the economy of minority areas. However, the economic development of the minority areas is indispensable with the support of the country and developed areas. Of course, economic development of minority areas has also promoted the economic prosperity of developed areas and the country as a whole. Since the implementation of reform and open policy, various minority areas have vigorously developed the economy, conducted lateral economic integration with inland developed areas, and have drawn and utilized advanced technology and funds of inland developed areas, thus promoting the economic development of their areas. At the same time, giving consideration to the prospects of the development of the country, proceeding from the overall interest of making all nationalities prosperous commonly, the country has attached high importance to helping minority areas develop their economy. Hence, the development of minority areas has embarked on a new historical stage. This is not only conducive to meeting the demands of the country's economic construction, but has also promoted the economic and cultural development and prosperity of minority areas.

Minority areas in our country are vast in territory and rich in natural resources. This is the common wealth of all nationalities of our country. After the founding of New China, the state has tapped natural resources in minority areas in a planned and reasonable manner. This has not only enabled minority areas to support and make contributions to the large-scale economic construction of the country, but has also provided an extremely good opportunity for strengthening the unity of various nationalities and developing the economy of minority areas. What has happened in the past proves that to persist in the equality and unity of various nationalities and to achieve the common prosperity of all nationalities, the state's exploitation of natural resources of minority areas is extremely essential, conforms with the common interests of all nationalities in the country, and will surely promote the economic and cultural development and prosperity of minority areas.

### Inner Mongolia Reaps Record Grain Harvest

OW2310032390 Beijing XINHUA in English  
0219 GMT 23 Oct 90

[Text] Beijing, October 23 (XINHUA)—The grain output of the Inner Mongolia Autonomous Region has reached 8.5 billion kg this year, an all-time high and 25 percent more than that of last year, the "PEOPLE'S DAILY" reported today.

This is the third bumper harvest in succession in Inner Mongolia.

The local people attributed the achievement to government efforts to promote agriculture. This year, more than 40,000 party and administrative officials as well as farm technicians in the region have been working in the front line of agricultural production to give on-the-spot guidance to farmers.

The regional government has also increased investment in agricultural development, land improvement and water conservancy.

This year the farmers have dug 38,000 wells, increased the area of irrigated land by 100,000 ha and developed waste land of 167,400 ha.

### Inner Mongolia Paddy Production Figures

SK23/0100190 Hohhot NEIMENGGU RIBAO  
in Chinese 18 Sep 90 p 1

[By reporters Chaoliubagen (2600 7627 1572 2704) and Liu Junjie (0491 0193 2638): "Our Region's Paddy Production Is as Abundant as the Southern Lower Reaches of the Changjiang River, a Region of Rivers and Lakes"]

[Excerpts] It was learned from the regional on-the-spot meeting on paddy production recently held in Arun Banner that after the tests of the cold spring and the summer drought, floods, waterlogging, and inspect pests, the productivity of our region's 1.32 million mu of paddy fields is good in general. It is expected that the total output will reach more than 300 million kg, an increase of 110 million kg over last year.

Our region's urban population will need 250 million kg of paddy rice each year. Last year, the grain departments purchased 25 million kg of locally-produced paddy rice. The self-sufficient rate was 10 percent. The region's major paddy producing areas are mainly located in the four leagues (cities) in the eastern part of the region. In order to increase the self-sufficient rate of flour and rice in the region, 28 paddy-planting banners and counties and two state farms in the four leagues (cities) on the eastern part of the region have done much work with the cooperation of departments concerned and have enabled the unstable paddy production to have a favorable turn. There are three noticeable changes in paddy production this year:

1. The farming area has been expanded. In 1984, the region's paddy farming area was 270,000 mu. Last year, the area sown to paddy was expanded to 800,000 mu. According to statistics released by the agricultural departments this year, the paddy farming area has increased by 520,000 mu, thus making the total farming area reach 1.32 million mu. The paddy farming areas of Horqin Left Wing Rear Banner, Arun Banner, and Horqin Right Wing Front Banner all exceeded 100,000 mu.

2. The investment has increased. The preferential policies on properly giving subsidies and exemptions from agricultural taxes for a short time which are generally being implemented in various localities have stimulated the paddy growers to attend to production input. In addition to having the state undertake large key water conservancy projects, this year our region increased more than 100 million yuan of funds for paddy farmland capital construction, of which more than 80 percent was raised by the masses. Meanwhile, the region has also put in labor services, manpower, and work days to enable the rich underground and surface water resources in the eastern region to be put into effective use.

3. The technology has been improved. Although the four leagues (cities) in the eastern part of the region have nearly 100 years of paddy farming history, they have still followed the traditional direct seeding method and their per-mu yield has still hovered at around 200 kg. Since 1986, the paddy producing areas studied the "method of rice cultivation on carrying out both dry farming and thin planting" of Fangzheng County, Heilongjiang Province. So far, the region's paddy sowing acreage has reached 900,000 mu. The fine paddy strain—Hejiang 23—which is high yield but requires a longer period to maturity has been used. At present, all localities are exerting efforts to strengthen late-stage management of paddy fields in an effort to reap a bumper harvest.

#### Tan Shaowen's Directive on Cosmetics Production

SK2010034490 Tianjin City Service in Mandarin  
1000 GMT 18 Oct 90

[Text] Tan Shaowen, secretary of the Tianjin Municipal CPC Committee, came to the municipal cosmetics group corporation on the morning of 18 October to talk with the cadres and masses of the corporation and of units under the corporation with regard to the municipality's development in the chemical industry of cosmetics.

After hearing the work report given by the leading personnel of the cosmetics group corporation, Tan Shaowen stated that the markets of some cosmetics products are indeed sluggish at present. However, this does not mean that the supplies of such products are saturated. Success in carrying out market investigation, paying attention to analyzing the psychology of consumers, and promoting the supply and sale of markets will certainly play an effective role in invigorating the markets. He urged the cosmetics group corporation to steadily

develop new products, upgrade product quality, and increasingly expand the cosmetics markets throughout the municipality.

#### Northeast Region

##### Bumper Harvest Predicted in Heilongjiang

SK2310123690 Harbin HEILONGJIANG RIBAO  
in Chinese 22 Sep 90 p 1

[Report by reporter Hao Jianhua (6787 1696 5478)]

[Summary] It is a foregone conclusion that Heilongjiang Province will have a bumper agricultural harvest this year because of the enforcement of responsibility systems and the popularization of scientific and technological results. Over the past few days, good news on bumper harvests from various localities across the province has kept pouring in. The total wheat output and the per mu wheat yield scored by the state farms in the province surpassed last year figures by 26.5 and 20 percent respectively. Songhuajiang Prefecture is expected to score 3.392 billion kg of the total output of grains, beans, and tubers, a three percent increase over 1988's peak. The total output of grains, beans, and tubers in Suihua Prefecture is expected to reach 4.415 billion kg, a 1.6 billion kg increase over 1989; and that in Qiqihar City is expected to reach 3.19 billion kg, a 690 million kg increase over 1989. Zhaodong City, and the counties of Shuangcheng and Zhaozhou are expected to make a new breakthrough in their corn output. The per mu rice yield in Wuchang County is expected to reach 400 kg. Other reasons behind the bumper agricultural harvest this year are that the province has invested 3.12 billion yuan in agriculture, an approximate 650 million yuan increase over 1989; and that the total fertilizer consumption reached 1.998 million tons, a 100,000 ton increase over 1989.

#### Liaoning Releases Jan-Sep Economic Statistics

SK2310003190 Shenyang Liaoning Provincial  
Service in Mandarin 2300 GMT 21 Oct 90

[Text] On 20 October, the provincial statistical bureau made public the province's economic situation in the first nine months of this year. Statistics showed that the entire economy of our province was picking up.

An encouraging situation has emerged in our province's agricultural production since the beginning of this year. Following the fairly high production in summer grain, a good harvest of autumn-harvested crops has become a sure thing. The production of such farm and sideline products as meat, aquatic products, and vegetables continued to grow.

Industrial production began to take a turn for the better in May. The production of basic industries continued to improve, and a slow increase has been registered for five months in a row.

Our province's foreign trade maintained the trend of stable growth in the first nine months of this year. The volume of the commodities purchased for export totaled 8.392 billion yuan, an increase of 6.1 percent over the corresponding period last year. Total exports came to \$3.775 billion, an increase of 12.3 percent.

The income of urban people also showed a fairly large increase. In the first nine months of this year, the average monthly income was 115 yuan per capita. Allowing for price rises, it showed a seven-percent increase over the corresponding period last year. Meanwhile, sales in markets began to pick up slowly. Retail sales of consumer goods remained basically the same as the corresponding period last year. Market prices remained fairly stable, and price increases were reduced every month. In the nine months of this year, the general level of the province's retail prices showed a three-percent increase over the corresponding period last year. The prices of nonstaple foods closely related to the people's life were stable with some decline. In particular, the prices of fresh vegetables and aquatic products were lower than those in the corresponding period last year.

#### Liaoning Province Expects Rise in Harvests

OW2310104790 Beijing XINHUA in English  
0920 GMT 23 Oct 90

[Text] Beijing, October 23 (XINHUA)—The total rural social output value of northeast China's Liaoning Province is expected to reach 72 billion yuan this year, up 6.6 percent over the 1989 figure, the overseas edition of the "PEOPLE'S DAILY" reported today.

The total output of grain, cotton, oil crops, beet and fruit will reach 14.25 million tons, 11,200 tons, 179,000 tons 379,000 tons and 1.46 million tons, respectively, this year, the newspaper quoted a Liaoning provincial government official as saying.

The province planted 117,933 ha of trees in the first half of this year, an increase of four percent over the same period of last year.

Meanwhile, the total output of aquatic products of the whole province is expected to surpass one million tons.

At the same time, rural and township enterprises are developing quickly in Liaoning. By the end of September, the total output value turned out by these enterprises reached 35 billion yuan, up nine percent over the same period of last year.

The province made an accumulative total of 1.54 billion yuan from the export of agricultural products in the first nine months of this year, a 15 percent rise over the same period of last year.

As a result of adopting more advanced techniques, in the first half of this year township enterprises developed 323 new products, of which 255 were put into production, creating 170 million yuan of output value and 25 million yuan in gross profits.

#### Northwest Region

##### Gansu's Li Ziqi Inspects Jingchuan City

HK2310040490 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 22 Oct 90

[Text] During his inspection in Jingchuan City, provincial party committee Secretary Li Ziqi fully affirmed the development of the collective economy characterized by two systems in one enterprise and the development of the small area economy in Jingchuan City.

On the afternoon of 21 October, accompanied by Jingchuan Company's Manager Wang Zeyong and party committee Secretary Yang Xuesi, Li Ziqi toured an opencut and the (Xipodao) project. Later, Li Ziqi went to a small experimental area in Jingchuan City's Central District, visited Jingchuan Copper and Platinum Factory, Niedo Stainless Steel Factory, Jingchuan Wire and Cable Factory, and Jingchuan Electric Control Equipment Factory, and asked about their production situations.

Finally, Li Ziqi held talks with a number of leaders of Jingchuan City and Jingchuan Company. He said: A lot of changes have taken place in Jingchuan. I am greatly encouraged by these changes. Jingchuan Company has made great contributions to our province. The current construction of the Haixi and Dingxi area has a direct bearing on the Jingchuan Company's future development. Therefore, it is necessary to make great efforts to make the construction of the Haixi and Dingxi area a complete success.

##### Twelve Criminals Executed in Xinjiang

HK2210135290 Hong Kong AFP in English 1341 GMT  
22 Oct 90

[Text] Beijing, Oct 22 (AFP)—Twelve common law criminals were executed in Urumqi, the capital of China's northwest Xinjiang region, following a mass trial on October 13, the XINJIANG DAILY reported.

Three others were handed life terms during the public court proceedings and four were sentenced to terms ranging from three to 15 years, the newspaper said in its October 16 issue received here Monday.

Three of the 12 executed were convicted of robbing a home and injuring four of its residents with stolen guns and daggers, while a fourth, already in jail, beat to death a fellow inmate, the daily said.

The executions came amid a nationwide crackdown on crime that was launched 15 months ago and has resulted in at least 1,000 executions.

**Xinjiang Regulations on Religious Activities**

*OW2310133390 Urumqi XINJIANG RIBAO in Chinese  
16 Sep 90 p 2*

[“Provisional Regulations on the Administration of Religious Activities in the Xinjiang Uygur Autonomous Region”]

[Text] Article 1. These provisional regulations are formulated in accordance with the Constitution, the law on autonomy for regions inhabited by minority nationalities, and the relevant rules and regulations of the state for the purpose of guaranteeing freedom of religious belief and normal religious activities for citizens and safeguarding the unity of the motherland, unity among all nationalities, and social stability.

Article 2. Citizens have freedom of religious belief and participation in religious activities. They are free to choose not to believe in any religion or participate in any religious activity.

No organ of the state, mass organization, or individual is permitted to coerce citizens to believe or not believe in any religion and to participate or not participate in any religious activity. No one is permitted to discriminate against, slander, oppress, or retaliate against citizens who either believe or do not believe in any religion and who either participate or do not participate in any religious activity.

Article 3. All religious activities must be conducted within the limits permitted by the Constitution, laws, government decrees, and policies of our country and must subject themselves to the administration and supervision of the government department in charge of religious affairs.

Article 4. The masses of religious believers are permitted to conduct all normal religious activities, such as reciting scriptures, giving a sermon on scriptures, conducting religious services, practicing abstinence from meat as a religious exercise, saying prayers, burning incense, worshipping Buddha, celebrating mass, and celebrating religious festivals in their own houses and in the places for religious activities. These activities are protected by law; no one is permitted to interfere with them.

Article 5. No organization or individual is permitted to use religion to conduct activities aimed at opposing the leadership of the CPC, the socialist system, the people's democratic dictatorship, Marxism-Leninism, and Mao Zedong Thought, splitting the motherland, and destroying unity among all nationalities. None is permitted to use places for religious activities to organize secret ties, to instigate people to create disturbances, or to conduct counterrevolutionary activities.

Article 6. All abolished systems that give religions feudal privileges to oppress and exploit the people, such as imposing religious taxes, forcing believers to labor without pay, imposing financial apportionments, compelling believers to donate, trying civil cases of disputes between

believers, discriminating against and insulting women, (fang “kou huan”) [2397 0656 0822], (pai a hong) [3175 7093 6059], and bullying believers must not be restored.

No one is permitted to collect grain, livestock, and properties from the masses under the pretext of sharing burdens of any religion.

Article 7. Religion is not permitted to interfere with administration, adjudication, culture, education, marriage law, family planning policy, and public health undertakings by the state.

Religious activities are not permitted to disturb public order, production order, work order, and the order of the life of the masses.

Article 8. No religious activity is permitted to be conducted outside its locality without obtaining approval. Such activities, if conducted inside the boundary of jurisdiction of a township (town), must be reported to the township (town) people's government for approval; if conducted inside the boundary of jurisdiction of a county (city, district), they must be reported to the department in charge of religious affairs of the county (city, district) government; if conducted in other county (city), they must be reported to the department in charge of religious affairs of the local prefectural, autonomous prefectural, and city government; and if conducted in other prefecture, autonomous prefecture, and city, they must be reported to the autonomous regional bureau in charge of religious affairs. The responsible person of the group that takes charge of such activities is required to submit an application and report one month in advance.

The masses must subject themselves to the administration by government department in charge of religious affairs when they follow the custom of conducting religious activities by paying homage to (ma zha) [7802 2089].

Article 9. No religious organization or believer is permitted to preach, do missionary work, or publicize theism in places other than those prescribed for religious activities. No one is permitted to distribute religious leaflets, books, publications, cassette tapes, or videotapes which have not been approved by the responsible government department.

Installation of tweeters in places of religious activities is not permitted.

Article 10. Feudal and superstitious activities, such as fortunetelling, using exorcism to cure illness, summoning gods and ghosts to appear, lot-drawing and practicing divination, practicing geomancy, pretending to be gods and ghosts, spreading fallacies to deceive people, and swindling people of their money and causing them harm, are banned.

Article 11. Professional religious personnel are not permitted to travel to other prefectures, autonomous prefectures, cities, or counties to do missionary work

without having obtained the approval of the government department in charge of religious affairs.

Missionary work by self-styled preachers is banned. Religious personnel from other provinces, municipalities, and regions are not permitted to do missionary work in our region without authorization.

**Article 12.** Patriotic religious groups in the autonomous region are entrusted with the job of training young patriotic professional religious personnel.

Patriotic religious groups in every prefecture, autonomous prefecture, and city shall be responsible for sponsoring scripture classes and deciding on training locations, professional religious personnel who will take charge of the training, the scale of training, and courses of study to provide oriented training.

No private sector is permitted to run a school offering courses on scriptures, open scripture classes, or keep trainees studying religion.

**Article 13.** People in charge of scripture classes must support the leadership of the CPC and socialist system, safeguard unity among all nationalities and unification of the motherland, be patriotic and abide by the law, practice good conduct, and acquire a higher level of academic knowledge of religion.

Those who nurse a grievance against and are hostile to the leadership of the CPC and socialist system must not be permitted to take charge of scripture classes and become teachers.

**Article 14.** Preaching and broadcasting of the "history of the holy war" to stir up national hatred are prohibited.

Listening to, making copies of, and spreading reactionary religious broadcasts abroad are prohibited. The receipt from abroad of reactionary religious publications and other propaganda material is prohibited.

**Article 15.** Christian and Catholic activities will practice the "three fixations" (namely fixing on an area, a point, and a person). Responsible persons in religious organizations and their activity areas are required to register with their local county (city) government department in charge of religious affairs and cannot conduct religious activities until they have obtained approval.

**Article 16.** Professional religious personnel and the masses of believers of all religious sects in our region must abide by the Constitution, laws, government decrees, and policies, respect each other, seek common ground while reserving differences, and live in harmony on the basis of patriotism and socialism. They must not impose their views on others, attack each other, or disturb social stability.

**Article 17.** Our region shall adhere to the principle of maintaining independence and keeping the initiative in our own hands with respect to the administration of religious groups and the handling of religious affairs. Our

region shall maintain autonomy, missionary work, and religious groups by ourselves and not permit our religious groups and their activities to be controlled by foreign forces.

Professional religious personnel and the masses of believers must abide by the relevant regulations governing foreign affairs and maintain national dignity.

Religious groups and academies and places for religious activities must not have contacts with foreign religious organizations or put up foreigners for the night without authorization.

**Article 18.** Foreign religious believers are permitted to participate in normal religious activities in places for religious activities open to foreigners; however, they are not permitted to accept local people's worship or give a sermon on the scriptures.

Foreign religious organizations and religious personnel are not permitted to do missionary work or distribute religious propaganda material.

**Article 19.** Local patriotic religious groups and the masses of religious believers have the right to resist and expose those who violate these regulations; the relevant departments shall deal with each of them according to the seriousness of his case and according to relevant state laws and regulations. Those whose cases are deemed insignificant shall be educated through criticism and urged to correct their mistakes by local patriotic religious groups or the department in charge of religious affairs; those whose cases are found comparatively serious shall be separately served with a disciplinary warning, fined, have their illegal properties confiscated, and be detained by the local public security organ; and those who break criminal laws shall be investigated and assigned responsibility for their criminal offenses according to the law.

**Article 20.** Those foreigners who violate these regulations shall be dealt with by the public security organ according to the seriousness of their cases and according to the relevant laws and regulations.

**Article 21.** The autonomous regional bureau in charge of religious affairs is responsible for explaining the regulations.

**Article 22.** These regulations shall go into effect the day they are promulgated.

#### Commentary on Implementing Regulations

OW2310213390 Urumqi XINJIANG RIBAO in Chinese  
17 Sep 90 p 1

[Commentary: Earnestly Implement the Two "Provisional Regulations"]

[Text] The "Provisional Regulations on Administration of Religious Activities in Xinjiang Uygur Autonomous Region" and the "Provisional Regulations on Administration of Professional Religious Personnel in Xinjiang

"Uygur Autonomous Region" (called the two "provisional regulations" for short hereinafter) were promulgated and went into effect after they had been deliberated and passed by the 96th executive meeting of the seventh autonomous regional people's government. This is an event of great importance concerning the political and religious life of the masses of religious believers of all the nationalities in our region; meanwhile, it also fully reflects the desires and demands of the masses of religious believers and patriotic professional religious personnel.

At present, the most urgent desire expressed by cadres and masses of all nationalities in our region is social stability. Nothing can be accomplished without stability. Without stability, we shall be unable to make smooth progress with our production and construction; moreover, normal religious activities of the masses of religious believers will be insecure.

After having conducted surveys and listening to the views of all walks of life for a long period of time, our region formulated the two "provisional regulations" according to the Constitution, the law on autonomy for regions inhabited by minority nationalities, and relevant regulations of the state and in light of actual problems existing in administration of religious activities and professional religious personnel in our region. Their promulgation and implementation will be conducive to guaranteeing normal religious activities and maintaining social stability. Therefore, they must be resolutely implemented.

Implementation of the two "provisional regulations" means that we must correctly carry out the party's policy on freedom of belief in religion in an all-around way, unite the masses of religious believers and the patriotic professional religious personnel, train the succeeding patriotic professional religious personnel with proper leadership and in a planned way, respect and protect the normal religious activities of the masses of religious believers, and effectively punish the handful of people who use religion to engage in sabotage and illegal activities to make active contributions to promoting social stability as well as the four modernizations.

Xinjiang is located in the northwest border area of our motherland and is inhabited by a multitude of minority nationalities who cherish various religious beliefs. Religion has certain traits pertaining to nationalities and the masses and has certain international appeal. More often than not, all hostile forces at home and abroad, particularly national分裂ist forces, use religion to conduct activities aimed at undermining unity among all our nationalities and splitting unification of the motherland. We must maintain sharp vigilance against them. The two "provisional regulations" specifically point out that no organization or individual is permitted to use religion to conduct activities aimed at opposing the leadership of the CPC, the socialist system, the people's democratic dictatorship, or Marxism-Leninism and Mao Zedong

Thought, splitting the unity of the motherland, or undermining unity among all nationalities. No one is permitted to use places for religious activities to organize establishment of secret ties, instigate the masses to create disturbances, or engage in counterrevolutionary activities. These regulations accord with the will of the people and therefore are completely correct.

The two "provisional regulations" are very important. Party organizations and the people's governments at all levels in our region must organize forces to implement them in earnest. At present, our major task is to work successfully in studying and publicizing the two "provisional regulations." It is necessary for us to organize the masses of religious believers and, in particular, professional religious personnel and members of the democratic administrative organs at the places for religious activities to earnestly study and grasp the basic guidelines of the two "provisional regulations." It is necessary for us to publicize them far and wide and whip up public opinion by various means to make them known to every household and everyone to create a good start for implementation of the two "provisional regulations."

#### **Xinjiang People's Congress To Open 29 Oct**

*DW2410092090 Urumqi Xinjiang Television Network  
in Mandarin 1400 GMT 23 Oct 90*

[Announcer-read report by station reporter (Ilihan Aosman); from the "Xinjiang News" program]

[Text] The general office of the Standing Committee of the Xinjiang Regional People's Congress held a news briefing this morning. Spokesman (Fu Dasheng) announced:

The 17th Session of the Standing Committee of the Seventh Regional People's Congress is scheduled to open on 29 October in Urumqi.

The agenda items of this session are: Studying the speech made by Jiang Zemin when he inspected Xinjiang; hearing the report by the regional people's government on the comprehensive efforts it has made to maintain social order; examining and discussing the draft measures for implementing the Urban Planning Law in this autonomous region; hearing the reports by the regional people's government on enforcement of the Food Sanitation Law, the Contagious Disease Control Law, and the Pharmaceutical Control Law; hearing, examining, and discussing the report by the regional people's government on implementing the 1990 economic and social development plan; deciding on changes to be made in planning economic and social development; hearing, examining, and discussing the report by the regional people's government on implementing the 1990 budget; deciding on changes in the budget; examining, discussing, and approving the report by the credentials committee of the Standing Committee of the seventh

regional People's Congress on the credentials of supplementary deputies elected to the seventh regional People's Congress; and appointments and removals of cadres.

The session will last for five days.

### Xinjiang's Janabil on Unity of Nationalities

OW2310090590 Urumqi XINJIANG RIBAO in Chinese  
2 Aug 90 pp 1-3

[“Excerpts” of speech by Janabil at the 15th enlarged plenary session of the third Xinjiang regional party committee on 19 July 1990: “On Several Questions Concerning the Study of Nationalities Theories and Education in National Unity”]

[Excerpts] Comrades:

Today, I wish to talk about my views on some questions concerning ideology and understanding encountered in the study of nationalities theories and in education in national unity. [passage omitted]

From the campaigns we have developed in these years to study theories on nationalities and promote education in national unity, I think our cadres and masses of all nationalities have a healthy state of mind, are willing to go onward, and are essentially good. However, we must be realistic and acknowledge the fact that the past years have also seen more or less confused understandings and erroneous ideas among some of our cadres and masses. Such questions of ideology and understanding, if not resolved, will seriously hamper the in-depth development of the cause of national unity and progress in our region. At present and in the days to come, a major task in our region concerning the study of nationalities theories and education in national unity is to clarify these questions, give a clear-cut positive viewpoint, and guide the cadres and masses of all nationalities to rectify their thinking and uphold a correct concept. In this connection, I wish to dwell on nine questions as follows:

#### 1. On How To Correctly Appraise the Work of National Unity Over the Past Few Years

As you know, over the past years, the party organizations and people's governments at all levels in our autonomous region have, under the leadership of the party Central Committee, seriously carried out the guidelines for nationalities work during the new period, implemented the “Law of Regional Autonomy of Minority Nationalities,” put into practice the party's policies concerning nationalities affairs, and gone all out to promote education in national unity. These efforts have yielded positive results, which cannot be underrated. The results can be seen at least in three aspects:

First, the cause of national unity in our region has kept developing, and our political situation marked by stability and unity has become consolidated. [passage omitted]

Second, the political environment of stability and unity has provided a very essential condition for Xinjiang's economic development. This has expedited the development of the economy.

Third, the past decade has seen a rapid development of social undertakings in our region. During these 10 years, the number of regular institutions of higher education has increased from 10 to 20, ordinary senior middle schools from 673 to 809, and secondary vocational and technical schools from 86 to 281. The number of students of minority nationalities has grown faster than the growth rate of the total number of students in our region and in the whole country. Besides, considerable progress has been made in other undertakings as well, including science and technology, culture, public health, and sports.

The above results are generally recognized. It should be noted that all these brilliant achievements have been made under the condition of national unity and are attributable to the efforts made by the party committees and people's governments at all levels in our autonomous region to implement the party's policies on nationalities and promote education in national unity. Our autonomous region's work over the past years to properly deal with the relations between different nationalities and to strengthen their unity has provided a fresh experience for solving nationalities issues during the socialist period. [passage omitted]

In the past few years, some people were unable to distinguish between essential and nonessential aspects when assessing the state of national unity in our region. They ranted: “Education in national unity is unnecessary. It gives no appreciable results.” What is more, a few individuals expressed this opinion: “In the past when we did not stress national unity, our situation was better. Now that we stress national unity every year, there have been mishaps every year.” This viewpoint shows that some comrades lack a sufficient understanding of the importance of the work for national unity and the achievements that we have made in this work, and so they take a negative attitude with regard to education in national unity. There are also a very small number of people who smear education in national unity, and this is a fact that deserves our attention. All these mindsets are extremely erroneous. They all hamper the continuation of our national unity campaign and obstruct our efforts for still better results in dealing with nationalities affairs.

#### 2. On How To Thoroughly Understand and Grasp the “Nationalities Issue”

In the past few years, after the lopsided view that “the nationalities issue is, in essence, a class issue” was corrected, there has appeared another one-sided thinking; that is, “The nationalities issue is, in essence, an economic issue.” According to this thinking, it seems as if the nationalities issue would naturally be solved once the question of economic development is settled. This one-sided view has influenced to a certain extent

some comrades on the theoretical work front and in the departments doing practical work in our region. Marxism holds that the nationalities issue is a complicated social question, and that it is part of the overall issue of social development as well as the overall issue of socialist revolution and construction. We must thoroughly understand and grasp the "nationalities issue" and avoid oversimplifying it or viewing it one-sidedly.

The comprehensive nature and complexity of the "nationalities issue" may be observed from three perspectives:

**First, from the angle of the creation of nationalities.** According to Marxism, nationalities are communities of people created on the basis of clans and tribes when the development of productive forces has reached a certain level in society. Their formation contains economic factors, superstructural and ideological factors, as well as factors relevant to geographical conditions, languages, and ways of social contact. [passage omitted] The creation of nationalities shows that approaching this issue from any one angle—be it political, economic, ideological, cultural, or geographical—is one-sided, and that questions raised on this basis run counter to the basic characteristics and the basic law of the development of nationalities.

**Second, from the angle of the origin of the nationalities issue.** According to Marxism, the nationalities issue is an important issue appearing when the development of mankind has reached a certain historical stage. The nationality issue, in a nutshell, is an issue concerning relations and contradictions among nationalities. It finds expression in all aspects—including political, economic, cultural, and linguistic aspects as well as in lifestyles and living habits—and this issue coexists with the existence and development of nationalities. Under different historical conditions, the relations and contradictions between nationalities are also different in terms of their substance and nature. In a class society, the nationalities issue is interwoven with factors relevant to nationalities as well as classes. The principal expressions and basic aspects of the nationalities issue are national oppression and national exploitation, as well as alienation, discrimination, hatred, conflicts, and struggles arising therefrom. Ever since China became a socialist society, we have replaced the private ownership of production means with the socialist public ownership, wiped out national oppression and exploitation, allowing people of all nationalities to enjoy political equality. Since class contradictions are no longer the primary contradictions in Chinese society, neither do they constitute the main cause of the nationalities issue. Nevertheless, class struggle still exists in a certain sphere and it certainly will have some influence on the nationalities issue, and so we should never approach this issue lightly. Meanwhile, we must also realize that, even in socialist society, differences between nationalities will continue to exist for a long time to come, and that historical economic and cultural differences between nationalities will continue

to exist. This is one important reason why the nationality issue still exists during the socialist period. [passage omitted]

**3. Seen from the angle of the protracted nature of the settlement of the nationalities issue.** The nationalities issue will eventually be solved, but the solution will not be achieved until nationalities have been eliminated. The elimination of nationalities will take a very long time. It cannot be achieved now, nor can it be achieved in the not too distant future. It will be achieved when socialism and communism have been achieved throughout the world. [passage omitted] We Communists firmly believe that all nationalities will eventually become assimilated, that all nationalities will vanish, and that mankind will no longer be divided into nationalities. The assimilation of nationalities, however, is a remote process of historical development and results when people of all nationalities enjoy a high degree of development and prosperity. The socialist stage is a stage when people of all nationalities enjoy full development and prosperity, and, for the first time, the socialist system has provided extremely favorable conditions for the development and prosperity of all nationalities. Only in this period can all nationalities, especially the less developed nationalities, have the best opportunities for full development and be able to contribute to mankind by vigorously demonstrating their wisdom and talents. People who ignore the protracted nature and complexity of the nationalities issue, who are overeager for results, and who think that the nationalities issue is nothing but an issue of economic development, lack historical foresight and fail to take the overall situation into account. [passage omitted]

### 3. National Separatism Is the Main Danger in Xinjiang

On many occasions from late last year to early this year, the regional party committee analyzed the situation in Xinjiang, focusing on promoting stability—the central mission—thus acquiring an overall and systematic understanding of the situation of the autonomous region on the basis of that knowledge acquired during the past several years. On the whole, the situation in Xinjiang is satisfactory. People of various nationalities are united; the region enjoys social stability and economic growth, and the people live and work in contentment. There are also factors of instability, however. Activities carried out by national separatists at home and abroad are an objective fact. The national separatist forces at home and abroad flaunting the banner of establishing an independent "East Turkistan" constitute the principal danger threatening stability in Xinjiang. The counterrevolutionary armed rebellion which occurred in Baren Township profoundly proves that the regional party committee understood the situation and that its judgment was correct. Today, while educating cadres of all nationalities on the current situation and policies, as well as the need for them to work in unity, we have also intensified education in that respect, emphasizing in no uncertain terms that national separatism constitutes the principal danger in Xinjiang. The mental state of cadres

and people shows that, while they have become more aware that national separatism constitutes the main danger in Xinjiang, certain misconceptions among them must be clarified so that they will understand the issue even better and have a consensus of views.

When we say that national separatism is the principal danger in Xinjiang, many people are taken aback, and some people think this judgment is not in line with facts. The counterrevolutionary armed rebellion in Baren Township is a persuasive lesson for everyone and I am not going to elaborate on it here. I just want to underscore two points. First, the issue of national separatism is an old issue, not a new one, in Xinjiang. As a multinational region situated at the frontier area of our great motherland, Xinjiang is very important politically, economically, geographically, militarily, and strategically. Specifically because of this, aggressive forces abroad have invariably wanted to separate Xinjiang from China. In modern history, Russia, Britain, France, the United States and some other countries all tried to separate Xinjiang from China, hoping that Xinjiang would become their colony or a place under their sphere of influence. Although national unification and unity of nationalities have never before been so consolidated in New China after its founding, the struggles between safeguarding and undermining national unification and unity of nationalities have always been there, and even very vigorous at times. The struggles confronting us now are a continuation of the previous struggles. Second, we must realize that national separatist activities at home and abroad have indeed been quite rampant in recent years. Some organizations, taking advantage of the opportunity of making family visits, sightseeing, and doing business in China, have sent their special agents into Xinjiang to carry out subversive activities, bribed people making pilgrimage in Mecca, carried out reactionary propaganda among Chinese personnel travelling abroad, and sent them reactionary propaganda materials, books, and magazines. Their main objective was to separate Xinjiang from China and establish an "East Turkistan." Whenever enemies abroad carry out their separatist activities, there are people in Xinjiang responding to them and coordinating their activities. Within the educational, literary and artistic, journalistic, publishing, ideological, and theoretical circles, some people have used lectures, articles, academic symposiums, literature, art, and books to distort history. They have concocted the "History of East Turkistan," and said that "Xinjiang was an independent state." They have also propagated the Islamic spirit, publicized and peddled such reactionary viewpoints about independence, liberation, liberty, and awakening" to fan up separatist sentiments and create the public opinion for separation. There are also people who, flaunting the banner of religion, use religious sites to carry out all kinds of lawless activities, using religious means to instill into young people national separatist ideas and thus create religious fanaticism among the believers. When I say "principal danger," I do not mean that Xinjiang is in danger because of these national separatist activities; I

am saying that, among all the factors that might affect Xinjiang's stability, national separatist forces at home and abroad are a real and principal danger. The situation in Xinjiang is, on the whole, stable. No matter how serious the national separatist activities may be, including counterrevolutionary armed rebellion, we are able to deal with them, and the overall stability in Xinjiang is not affected. Nevertheless, we must firmly combat national separatism and not let the national separatists at home and abroad achieve their schemes. [passage omitted]

#### 4. Xinjiang Has Always Been an Inalienable Part of China Since Ancient Times

The academic circles have long reached the final conclusion that Xinjiang is an inalienable part of China. [passage omitted]

Over the past more than 2,000 years, in spite of changes of the central government or dynasty which ruled Xinjiang, and of changes of the local minority nationality regime in Xinjiang, the fact that Xinjiang is inseparable from China has sustained and become increasingly incontestable. On this vast land of China, the people of all nationalities have labored, lived, and multiplied, jointly forming the big family of the Chinese nation and shaping their own glorious history. Any theory of separating Xinjiang from the big family of the motherland under a historical pretext is against the historical facts and the trend of national development and progress. Any attempt to use historical issues to advocate splitism is doomed to fail.

#### 5. On the Question of "Two Inseparabilities"

Since 1982, we have put forward a resounding slogan in conducting an extensive education on unity among nationalities; that is "Han people are inseparable from minority nationalities and minority nationalities are inseparable from Han people," or called "two inseparabilities" for brief. This slogan has been known to every household, receiving ever growing popular support and becoming an important guiding principle for correctly handling relations between nationalities. Meanwhile, we must also recognize that there exist different views concerning the slogan and idea of "two inseparabilities." Therefore, it is necessary to further unify the thinking. [passage omitted]

For many years, especially at present, we have repeatedly stressed, with a clear purpose, the necessity of fostering the idea of "two inseparabilities." Failing to understand the meaning of "two inseparabilities," some comrades have asserted that without this slogan, all nationalities could live in peace and harmony, and that the more the slogan is stressed, the harder it is to unify nationalities. This is an erroneous view. As Xinjiang is a multinational region, how to treat and handle the relationships between nationalities is an unavoidable realistic issue. It is of utmost importance to foster the idea of "two inseparabilities" in facing this realistic issue. For example, during the recent counterrevolutionary armed

rebellion in Baren Township, a handful of counterrevolutionaries used religion as a pretext and flaunted the banner of "East Turkistan Islamic Republic" in a vain attempt to stir up hatred and hostility between nationalities under the slogans of opposing and expelling Han people, eliminating the so-called "heathens," and "driving Han people out of Xinjiang." Without the idea of "two inseparabilities" under such circumstances, it would be impossible for us minority nationalities to take a firm and unequivocal stand in fighting national separatists. As another example, take the issue of practical work. We cannot do concrete work well, if our party and government cadres at various levels fail to foster a definite idea that "cadres of Han and minority nationalities are inseparable from each other in doing a good job of work in Xinjiang." Moreover, on the question of economic and cultural construction, our leading comrades, comrades of the relevant departments, and enterprise directors should not simply consider economic efficiency alone, they should also pay attention to social benefit. In other words, it is necessary to consider regional development as well as benefit of minority nationalities. In this light, the idea of "two inseparabilities" is essential for carrying out economic and cultural construction. In publicizing the idea of "two inseparabilities," we should not only review the past but also focus attention on the future. In furthering reforms and opening wider to the outside world and in the process of achieving the three-phase strategy for modernization and accelerating Xinjiang's development, the people of all nationalities in the region share common goals, interests, and destiny. There exists only the inseparable relationships between Han and minority nationalities. Only by upholding the idea of "two inseparabilities" will the people of all nationalities in Xinjiang have a bright future. Destruction of the inseparable relationships and disunity, or even rejection and hatred, between nationalities can only cause social upheavals and regression, which does not benefit any nationality and can harm the people of all nationalities.

#### **6. On the Question of Equality Among Nationalities**

As everyone knows, upholding equality and opposing discrimination and oppression among nationalities is a basic principle of Marxist theory on nationalities, as well as an important part of our party and government's nationality policy. At the same time, this is also demanded by the socialist system. Socialist relations among nationalities are characterized by their equality, unity, and mutual assistance. Without equality among nationalities, national unity would lose an important political foundation. Without equality among nationalities, it would be impossible for unity, friendship, and cooperation to exist in the big family of all nationalities in our country, making it difficult to safeguard the motherland's unity and stability. Without equality among nationalities, the socialist character of our state would not be reflected in our nationalities issues and nationalities affairs. In short, equality among nationalities is extremely important to our country of multiple nationalities.

The most erroneous viewpoint on the question of equality among nationalities is to think that equality does not exist among various nationalities in China. Since the founding of New China, we have wiped out exploitation and oppression among nationalities; all nationalities have been enjoying equal rights protected by the PRC Constitution and other laws. No one can deny the fact that equality exists among all nationalities in our country, including this autonomous region. Any viewpoints that ignore and deny this fact are erroneous; there is much convincing evidence in this regard. What I want to emphasize is that we must soberly understand that such a viewpoint is advanced by people with ulterior motives. Who says that inequality exists between the Han nationality and minority nationalities or that minority nationalities are suffering discrimination or even oppression and enslavement in our socialist country, particularly in Xinjiang? It is those people at home and abroad hostile to socialist China and the Communist Party of China. Their viewpoint is erroneous and reactionary. Hostile elements at home and abroad confuse right and wrong, ignore facts and attack equal relations among our nationalities in an attempt to sow dissension, antagonism, and hostility among various nationalities, and to use nationalities issues to split the motherland and separate Xinjiang from the big socialist family. This is the ulterior motive of those who say that equality does not exist among China's nationalities. By the way, perhaps our comrades still remember the "15 June" incident of 1988 in this region. At that time, a handful of college students of minority nationalities shouted such slogans as "Oppose discrimination among nationalities," "Oppose enslavement among nationalities" and "People of our nationality do not want to be slaves." We are sure that those slogans were not invented by those college students, who had scant life experiences, and that they were directed or influenced by a few bad people. [passage omitted.]

Facts about relations among nationalities in China and Xinjiang show that "actual inequality among nationalities" does not exist. What does exist is the difference, left over from the past, in the level of development among various nationalities. Everyone sees and admits that in China and Xinjiang, there exists a gap between the Han nationality and minority nationalities in the level of economic and cultural development. However, the gap is not so big that it has objectively restricted minority nationalities from sharing equal rights with the Han nationality. Since the founding of New China, socialist relations have been established among nationalities; oppression, exploitation, discrimination, and antagonism among nationalities have been wiped out; and policies, systems, and legislation that safeguard the relations of equality, unity, and mutual assistance among nationalities have been implemented and constantly improved. In such a situation, minority nationalities have greatly developed their economy and culture. It is fair to say that "actual inequality among nationalities" does not exist in China.

### On the Question of Exploiting Xinjiang's Natural Resources

Our Xinjiang is a vast area with abundant natural resources waiting to be exploited. The exploitation of Xinjiang's natural resources deserves people's attention, from both the perspective of nationalities affairs or that of economic work. National splittists and those who attempt to sabotage national unity, both at home and abroad, are also using Xinjiang's natural resources exploitation issues to create trouble. Around the time of the "15 June" 1988 incident in Xinjiang, some people advanced some instigative viewpoints. They said nonsensical things like "Xinjiang's petroleum is flowing east and its cotton has been exported," and "more materials are being exported from Xinjiang and fewer materials are being imported into Xinjiang." They even said: "Xinjiang's resources are not for exploiting and exporting." During the counterrevolutionary armed rebellion in Baren Township not long ago, a handful of counter-revolutionaries also used the issue of exploiting Xinjiang's natural resources to instigate people. Some national splittists, flaunting the banner of protecting "nationality interests," spread extremely reactionary and erroneous views, such as "the state is plundering Xinjiang's natural resources." Many confused ideas about the exploitation of Xinjiang's natural resources indeed exist in the minds of the cadres and people of various nationalities in Xinjiang.

On the question of the exploitation of Xinjiang's natural resources, cadres and people of all nationalities must first clearly understand that Xinjiang is part of the People's Republic of China. Article Nine in Chapter One of the PRC Constitution unequivocally stipulates: "Mineral resources, water, forests, mountains, grasslands, unclaimed lands, beaches, and other natural resources are owned by the state, that is, by the whole people (with the exception of forests, mountains, grasslands, unclaimed lands, and beaches that are owned by collectives in accordance with the law)." Xinjiang's natural resources, like the natural resources in other provinces and regions, belong to people of all nationalities throughout the country, not to people of a certain nationality or people in a certain region. [passage omitted]

Is it correct to say that Xinjiang's natural resources are being exported? Such a view is very lopsided. It only takes into account the fact that some petroleum and cotton is being shipped out of Xinjiang and does not consider the overall material exchange situation in last 40 years. Here I want to discuss some major happenings and figures. Xinjiang's modern industry has been gradually set up since liberation. Local industry has been set up with a large quantity of materials and equipment imported into Xinjiang from other parts of China. In the early years after liberation, more than 95 percent of the daily necessities for people of various nationalities were imported into Xinjiang from interior and coastal regions. Even now, after 40 years of development, more than 50 percent of market supplies in Xinjiang are still

from those regions. Now, Xinjiang has built an industry of a certain scale and achieved self-sufficiency in some commodities. However, we still need many things from fraternal provinces and regions, including 70 percent of our hardware and communications equipment, 40 percent of our textile goods, more than 70 percent of our rolled steel, 100 percent of our non-ferrous metals, with the exception of aluminum, and 90 percent of chemicals. In addition, we also basically rely on interior and coastal regions in supplying industrial machinery and equipment. I am sure that it will be difficult for us to meet the needs of local market supply and industrial and agricultural production if we do not receive external supplies. In comparison, what Xinjiang can supply those regions is very little. Take petroleum for instance. In the last 40 years, Xinjiang produced a total of 88.9 million tonnes of petroleum, of which 28.5 million tonnes, or a little over 32 percent, were shipped to interior and coastal regions. In other words, we consumed two-thirds of Xinjiang's petroleum output ourselves. Moreover, only one-third of our cotton production and about one-tenth of our coal production are exported to those regions. [passage omitted] The more materials we can ship out of Xinjiang, the more supplies we will bring into Xinjiang. Xinjiang has become capable of producing some industrial and agricultural products that it could not produce in the past. We have achieved self-sufficiency in some materials and even had some surplus to provide others. This shows that the level of Xinjiang's economic development has been elevated. Moreover, the modern economy is an open economy. No matter how developed Xinjiang's economy is, it is impossible and unnecessary for us to produce everything that we need. We should not only practice socialist cooperation and commodity exchange at home, but should also place Xinjiang in the international economic exchange network. For the exchange of goods that we need, we should supply more of the commodities we are able to produce. For this reason, we should worry not about "Xinjiang's materials being exported" but about whether we have more surplus goods for export.

The development of Xinjiang's natural resources must also be clarified: While developing and building up Xinjiang, the state has taken into full consideration the interests of people of all nationalities in Xinjiang. The interests of the state and the interests of Xinjiang are identical. In one way or another, cadres and people, as well as theoretical and economic workers, have held the opinion in recent years that the state has not done enough to protect Xinjiang's interests while promoting Xinjiang's economic development. Some people think that, although the state spends money to set up some enterprises in Xinjiang and develop its mineral resources, the state takes away profits and collects taxes. Thus Xinjiang has supposedly been short-changed. Some other people think that Xinjiang has also been short-changed in its trade because Xinjiang exports low-priced raw materials but imports higher-priced processed goods and manufactured goods. Inciting people on this basis, some bad people spread such mistaken ideas as: The

"state is plundering Xinjiang's resources," Xinjiang is not a "base of raw materials," and so forth. Thus, certain issues concerning economic interests between the state and Xinjiang must be clarified. Take profit taxes, for instance. Although all the money spent on Xinjiang's oil mining and refining comes from the state, the state lets Xinjiang retain 30 percent of the taxes. As for the revenue from the Urumqi Petrochemical Plant, the state carries out a preferential policy under which the plant can keep half the revenue. Have the profits and taxes the state has taken away from Xinjiang had anything to do with Xinjiang? The amount of these profits and taxes is less than state's spending on Xinjiang's construction. Statistics show that during 1953-1988 the amount of national income generated by Xinjiang totalled 130.74 billion yuan but the amount spent totalled 169.19 billion yuan. This is to say that during this 35-year period the state transferred 38.45 billion yuan from other parts of China to Xinjiang for its construction. As for prices of goods, low prices of raw materials in China are the result of all types of subsidies and preferential measures. For years, prices of goods imported into Xinjiang by the state have been subsidized, and prices paid by the state for many of the goods exported from Xinjiang are higher than those paid within Xinjiang under arrangements favorable to Xinjiang. Take Xinjiang's coal production, for example. While the state has provided 80 percent of the investment, it also pays 50 million yuan each year to make up for losses, and coal exports (only 13 percent of the output) is sold to other fraternal provinces and regions at prices higher than prices in Xinjiang. In addition to production subsidies, the central government's aggregated subsidies to Xinjiang have reached 27 billion yuan, or more than 60 percent of Xinjiang's total expenditures. These facts show that the state has been very generous with Xinjiang and that it is wrong to think that the state has been "plundering" or "short-changing" Xinjiang. [passage omitted]

#### **Religious Issues Should Be Correctly Understood and Approached**

Xinjiang is a multinational and multireligious region. For historical reasons, religion has been quite influential in people's social and cultural lives. One common feature of the riot on 19 May last year and the counterrevolutionary armed rebellion in Baren Township on 5 April this year was how, in the name of religion, a handful of villains hoodwinked and coerced some ill-informed people into carrying out criminal activities. They openly pledged: "Religion was suppressed by Marxism and Leninism yesterday, and now it is their turn to be suppressed by religion." They also advocated a holy war in order to establish an Islamic Republic of East Turkistan in Xinjiang. [passage omitted]

We maintain that, with regard to religion, we must underscore the following points:

**First, we must firmly uphold the basic Marxist concept toward religion.** [passage omitted] Marx clearly pointed out: "Religion is an opiate for the people." Lenin also

stressed: "Religion is an opiate for numbing the people—this maxim by Marx is the cornerstone of all the thoughts about religion in Marxism." In Chinese history, various types of religions were controlled and used by the ruling class, and they have played a very negative role in social and historical development. We must seriously study and uphold the basic Marxist theory on religion. We must educate and guide the people to think scientifically and gradually develop the atheist viewpoint. This is our responsibility.

**Second, we must fully understand and correctly carry out the party's policy on religion.** Regarding the policy on freedom of religious beliefs, we must not simply stress the freedom to believe in any religion, we must also stress the freedom not to believe. We must especially stress that people under 18 must not be forced to believe in any religion. Freedom of religious belief must not be interpreted as freedom of religion, thinking that religion is without restrictions and can do whatever it wants. Religious activities must be carried out within the framework of the state constitution, laws, and statutes, and of party policies. We must never permit religion to interfere with the state's executive, judicial, and educational affairs or with the people's marital affairs and planned parenthood. We must firmly outlaw all types of illegal religious activities and, in particular, expose and strike at all types of criminal activities which proceed under the cover of religion. This is because these activities not only violate the state's religion policy but also run counter to the fundamental interests of people of all nationalities, including those within religious circles. Currently some people with ulterior motives, under the banner of religion, are competing with us for ideological and cultural bastions, especially those in rural areas. We must attach great importance to this issue. Some people, in particular, have been promoting religious fanaticism among the people, taking advantage of the state's policy toward religion. Their real intention is to separate Xinjiang from the country. We must understand their intention with a sober mind and firmly fight it. [passage omitted]

**Third, Communist Party members and revolutionary cadres must uphold the dialectical materialist concept and the historical materialist concept, and they must uphold Marxist principles and positions.** Communist Party members shall not have any religious beliefs or take part in religious activities. As far as thinking is concerned, Marxism is diametrically opposed to all religious beliefs. Communists must be out-and-out revolutionaries and materialists. The moment an individual joins the Communist Party he or she must consciously uphold Marxism and communist convictions. This is a collective display and an important hallmark of the progressive nature of our party. If Communist Party members believe in religion, they are not Communist Party members. Our Constitution protects freedom of religious belief, but it also protects the freedom not to believe in any religion. In accordance with the party's nature, platform, and discipline, Communist Party members may not believe in religion. Although the party Central

Committee provides that, for the sake of establishing ties with the masses, grass-roots Communist Party members of minority nationalities should respect and follow ethnic customs and may attend religious and traditional wedding and funeral ceremonies and other protocol activities, these activities are conspicuously different from pure religious activities and the need to attend these activities must not be used as an excuse to believe in any religion. [passage omitted]

#### 9. On Correctly Approaching the Histories and Cultures of Various Nationalities

Modern world history shows that, while provoking ethnic discord and splitting people of various nationalities, the first thing imperialists and new and old colonialists to do is to create all kinds of reactionary public opinion and use cultural separatism to pave the way for political separatism. Thus, the reactionary propaganda carried out in recent years by reactionary, national separatist forces at home and abroad against Xinjiang can be noticeably and collectively observed from historical and cultural issues. This being the case, we must, while upholding the Marxist ethnicity concept, firmly uphold Marxist historical and cultural concepts in order to refute all reactionary fallacies spread by national separatists at home and abroad, remove their "academic" camouflage, and educate the vast number of cadres and people, especially the young people, so that they will heighten their vigilance and not be fooled. To this end, we must earnestly study and grasp the basic Marxist and Leninist position and viewpoints in studying historical and cultural issues, draw a clear line of demarcation between us and all kinds of bourgeois and colonial historical and cultural theories, and draw a clear line of demarcation between us and reactionary pan-Islamic and pan-Turkic cultures. Currently, we must pay special attention to educating and guiding the vast number of cadres and people in understanding the following points:

First, the Chinese nation is a big family made up of people of 56 nationalities, the long history and culture of the Chinese nation are created by people of all nationalities, and the people of each nationality has enriched this history and culture and expanded them with their unique culture. Thus, the relationship between all ethnic cultures and the culture of our motherland as a whole is one of "pluralistic integration." This is determined by close political and economic ties between various ethnic regions and is independent of people's subjective will. Of course, because of historical similarity in economic and social development, or because of cultural exchanges and propagation, or because of linguistic and religious proximity, the cultures of many minority people living in frontier areas share certain common traits with the cultures of people in neighboring countries and regions. Marxism never denies that the different cultures of mankind may share some common traits. They are totally different from the so-called "historical and cultural community," "common Turkic cultures," "community of Islamic culture," and other fallacies which

bourgeois, colonialist, and national separatists at home and abroad have proclaimed in recent years as being simply determined by religious or linguistic factors. [passage omitted]

Second, the development of any national culture has its historical continuity, and a new culture cannot possibly appear without any connection with the old. Thus, the development of a national culture is in fact a process of inheriting the traditional culture in a critical manner on the basis of material production. We should by no means approach our traditional cultures with a historical and national nihilistic attitude, like the proponents of bourgeois liberalization who are ignorant of their own origins and who think their own traditions are worthless. On the other hand, we should also not swallow ancient learning without digesting it, or worship all traditional concepts, copy them mechanically, praise them unrealistically, and claim we are the best. We should study and analyze the historical figures and works of various nationalities scientifically and in the spirit of seeking truth from facts, instead of approaching them simplistically and unilaterally. [passage omitted]

Third, mankind's cultures can influence one another, and so there is no "pure" national culture. If we refuse to enrich ourselves by learning from the cultural achievements of other peoples, our own culture will stop developing and become ossified. [passage omitted] Today, we must particularly emphasize common traits shared by cultures of all nationalities and the culture of the Chinese people, and we should underscore the unity between their generalities and individualities because these are what separatists forces at home and abroad have been attempting to erase and write off.

Comrades, the nine different issues above are relevant to the nationalities issue, our work among people of various nationalities, and national solidarity. These issues, which I have discussed from different angles, are profound ideological issues which have existed in Xinjiang for many years, and they must be dealt with in the study of nationalities theory and in educating people on the importance of national solidarity. All party organizations, all relevant departments, and comrades must proceed with their endeavor in three areas. First of all, we should continue to encourage people to study Marxist theory and use Marxist positions, viewpoints, and methods to analyze and approach the nationalities issue and analyze and approach all the issues appearing from handling nationalities affairs and promoting national solidarity. Second, we should intensify academic and theoretical study, upholding the principle of seeking truth from facts and the principle of letting a hundred flowers blossom and a hundred schools of thought contend. Third, we should do a better job in educating the people and should intensify propagation of Marxist theory on nationalities. We must uphold the indoctrination principle [yao jian chi guan shu de yuan ze 6008 1017 2170 3487 6551 4104 0626 0463]. We should point out issues in the spirit of seeking truth from facts, present

our views clearly, and carry out ideological and theoretical work patiently and meticulously.

### Meeting Stresses Ideological Work at Colleges

*OW2310123590 Urumqi Xinjiang Television Network in Mandarin 1400 GMT 22 Oct 90*

[Text] The five-day work conference on party construction at the higher institute of learning in the autonomous region ended successfully yesterday afternoon. [Video show medium shots of a big room where cadres are seen taking notes at the meeting] The meeting called on party workers at the institutes of higher learning to fully understand the importance and urgency of the need to strengthen party construction at the institutes of higher learning in the new historical period, and do a good job on party construction at the institutes of higher learning with a high sense of revolutionary responsibility and urgency.

This is the first special meeting sponsored by the Xinjiang CPC Committee to study party construction at the institutes of higher learning. Responsible party and government comrades and comrades who are involved in party work from some 20 institutes of higher learning in the region attended the meeting. At the meeting, they were told about guidelines from the national conference on party construction at the institutes of higher learning. Participants in the meeting earnestly discussed the opinions of the autonomous CPC committee on implementing the circular of the CPC Central Committee on strengthening party construction at the institutes of higher learning. Participants in the meeting also made suggestions to improve party construction at institutes of higher learning by taking into consideration the actual situation of party construction work in various institutes of higher learning in our region. At the meeting, delegates from six institutes of higher learning in our region also exchanged experiences on how to do a good job in party construction. Participants in the meeting, through earnest study and discussion, stressed the need to further persist in and constantly improve the college presidents' responsibility system under the leadership of the party committees; place institutes of higher learning under absolute party leadership; take specific measures to strengthen building of leading bodies; ensure that power to lead the institutes of higher learning rest in the hands of those loyal to Marxism; give priority to the work of

ideological building in party construction at institutes of higher learning; constantly raise the political quality of party members; and train a contingent of strong and stable ideological and political workers.

Wang Enmao, vice chairman of the CPPCC [Chinese People's Political Consultative Conference] National Committee and chairman of the Xinjiang Advisory Committee; Song Hanliang; Janabil; Amudun Niyaz; (Zhang Fusheng); Ba Dai; Chen Xifu; Fu Wen; and other leading comrades called on the participants in the meeting at the close of the meeting and were briefed on party construction work at institutes of higher learning in our region.

Wang Enmao, Song Hanliang, and (Zhang Fusheng) spoke at the meeting. [Video shows Wang Enmao and Song Hanliang delivering speeches at the meeting]

Comrade Wang Enmao said: Institutes of higher learning are entrusted with the important tasks of building socialist spiritual civilization and training successors to the cause of socialism. Party committees at institutes of higher learning should arm themselves with Marxism to occupy the high grounds of ideology and culture at schools. Because today's young teachers and students lack both social experience and the experience of political struggle, we should strive to create conditions for them so that they will in an organized way learn from workers, farmers, and from the military. In social practice, we should offer them guidance; make them correctly understand the real situation of our country, region, and thinking of common people; let them resolutely take the same road as travelled by workers and farmers and the road that leads to social practice.

After analyzing the political and economic situation both within and outside the region in his speech, Song Hanliang stressed: At present, institutes of higher learning in our region should reaffirm the leading role of party committees at schools, ensure the maintenance of socialist academic orientation at institutes of higher learning, train successors to the cause of socialism who are not only ideologically correct but are professionally competent; and a number of qualified personnel for socialist construction. He also encouraged party workers at the institutes of higher learning to try their best to overcome difficulties and help create a peaceful environment on campuses so that normal teaching and research work can be carried out.

**Editorial Examines 'Taiwan Independence' Trend**  
*HK2310120690 Hong Kong WEN WEI PO in Chinese*  
*19 Oct 90 p 2*

[Editorial: "The Fundamental Cause of the Ideological Trend of 'Taiwan Independence'"]

[Text] On 7 October, the Democratic Progress Party [DPP] passed a bill on what it calls Taiwan sovereignty, asserting that "our state sovereignty is different from that of the mainland and Outer Mongolia." Some DPP members in the "Legislative Yuan" submitted a bill to the "Legislative Yuan" earlier this week claiming that "Taiwan sovereignty does not belong to the People's Republic of China."

The two bills in the last two weeks have brought to light the intention of some DPP members in proposing and legalizing "Taiwan independence." Let us keep aside first the question of whether this intention can stand and whether the DPP will enter into political rivalry with the Kuomintang. What is worthy of attention is the change from covertness to overtness in the "Taiwan independence" trend, with more clamorous and unscrupulous comments flowing from streets to official institutions.

The DPP's proposal for "Taiwan independence" does not hold water historically, culturally, or legally. This proposal has become a "consensus" between the two factions in the DPP and baffled some people because, fundamentally speaking, the ruling Kuomintang is content with retaining sovereignty over a part of the country and its persistence in the "three no's" policy.

The general trend in the world now is negotiation and unification. Germany has been unified, and North and South Korea are holding top-level negotiations. This trend and the increasing exchanges between the two sides of the strait cannot but affect Taiwan's policy toward the mainland. This policy has been adjusted a little, but people with insight are aware that a fundamental principle of the Taipei authorities is not to negotiate with the mainland, no matter how they adjust their policy and talk glibly about reunification.

The Taipei authorities have set up a National Unification Council to discuss the county's reunification. This is worthy of praise. However, at the first meeting of the National Unification Council, Mr Li Teng-hui did not

make any detailed proposal on how to bring about reunification through peaceful negotiations, although he pointed out in his concluding speech that the "purpose in establishing the National Unification Council is to make it clear that 'Taiwan independence' cannot stand." Instead he only reiterated that "freedom and democracy are the precondition for reunification." There is no new meaning in it. Li Teng-hui said the biggest problem facing the two sides is a lack of mutual understanding. This remark cannot be regarded as wrong, but he bluntly asserted that "one country, two systems" and "party-to-party negotiations" "are completely impractical." Since there is a lack of mutual understanding, exchanges should proceed to improve mutual understanding; since there is a lack of mutual understanding, how can he be so sure that Beijing's proposal "is impractical"?

Is it true that the "practical way" to reunification is lowering the "mainland heat" in Taiwan's various circles, and restricting the efforts of Taiwan businessmen to set up factories on the mainland and carry out trade with it?

Is it also true that the "practical way" to reunification is refusing to negotiate with the mainland on the question of reunification, while on the other hand restricting exchanges between the two sides to within a scope conducive only to Taiwan?

To cope with criticism from Taiwan and abroad, the Taiwan authorities have set up the National Unification Council under the impact of the trends, but this seems to serve the purpose of "maintaining a firm stand and unifying the step" so as to "improve the people's understanding of the CPC," rather than holding negotiations with the mainland ruling party on the question of reunification.

Being aware of the pretentious action of the Taipei authorities, the DPP time and again has raised a proposal for "Taiwan independence." Therefore, the biggest obstacle is the Taipei authorities' mistaken principle of refusing to negotiate with the mainland, and not their mediation or bargaining with the DPP on the stage or behind the scenes. This is also the biggest hotbed for the spread of the ideological trend of "Taiwan independence." Since the Kuomintang does not have sincerity in reunification, "Taiwan independence" advocates have become clamorous in word and rampant in action. This is the conclusion of the problem.

**Roundup of Events Surrounding Island Dispute****Sovereignty Reasserted**

*OW2210230990 Taipei Domestic Service in Mandarin 2300 GMT 21 Oct 90*

[Text] The Presidential Office held an emergency meeting yesterday afternoon to discuss the obstruction carried out by Japanese aircraft and ships against the relay of the torch of the Taiwan Regional Sports Meet to Tiaoyutai Island by nongovernment organizations.

After meeting with senior party, government, and military leaders, President Li Teng-hui decided to ask Premier Hao Po-tsun to issue a stern statement to voice dissatisfaction and regret over Japan's action, instruct the Ministry of Foreign Affairs to make representations to Japan so that the issue can be settled through diplomatic means and not by force, and also instruct the military authorities to immediately send naval and air forces to protect the safety of the torch relayers.

The stern statement issued by Premier Hao Po-tsun points out: Tiaoyutai is Chinese territory. The Chinese Government is strongly dissatisfied with Japan's action of obstructing the relay of the torch, but it still hopes the issue can be settled through diplomatic means and not by force.

Premier Hao indicated that the Government firmly supports the nongovernmental activity of relaying the torch to Tiaoyutai, and the Government will lodge a protest with Japan through diplomatic channels.

Shao Yuming, director of the Government Information Office of the Executive Yuan, transmitted Premier Hao's stern statement.

[Begin Shao recording] Because a patrol boat under Japan's Maritime Safety Agency stopped two Chinese ships from relaying the torch of the Taiwan Regional Sports Meet to Tiaoyutai, Premier Hao Po-tsun gave the following four instructions this afternoon:

First, Tiaoyutai is the territory of the Republic of China. This stand has never changed.

Second, the Government supports and endorses Chinese citizens' legitimate and lawful activities.

Third, the Chinese Government maintains that the Sino-Japanese dispute over the sovereignty of Tiaoyutai should be settled through diplomatic means, and that it should not become a dispute to be settled by force.

Fourth, Premier Hao expressed dissatisfaction with the conduct of Japan. He indicated that the dispute should be settled by diplomatic means, so that Chinese sovereignty over Tiaoyutai can be ensured.

This is the statement issued by Premier Hao today in connection with a Japanese patrol boat's obstruction of Chinese ships' arrival in Tiaoyutai. [end recording]

**Further on Hao Protest**

*OW2310181090 Taipei International Service in English 0200 GMT 22 Oct 90*

[Text] Premier Hao Po-tsun on Monday protested Japan's move to block two Taiwan ships from reaching the disputed island chain and warned that the ROC [Republic of China] would take effective measures if Japan's coast guards harass ROC ships.

Hao said after an emergency cabinet meeting that the ROC lodged the severest protest against Japan's unfriendly harassment of ROC fishing boats. He also urged Japan to tear down a lighthouse built on one of the eight unpopulated islands that make up the chain known as the Senkaku Islands to the Japanese and the Tiaoyutai Islands to the Chinese.

Meanwhile, about 30 people in Taipei pelted Japan's unofficial embassy with eggs, and protesters from the southern city, Kaohsiung, burned the Japanese flag. Demonstrators in Taipei said they opposed what they called the revival of Japan's militarism. On Sunday, Japan's coast guard patrol boat turned back two ROC fishing vessels approaching the disputed islands. The boats were to land a delegation of politicians and athletes on the island to reinforce a claim to the territory by the ROC.

After the cabinet meeting, Premier Hao said that the government supported Sunday's patriotic effort. The latest dispute followed reports that a Japanese political group had received permission from the Japanese Government to renovate a lighthouse on one of the islands.

Meanwhile, government spokesman Shao Yu-ming stated on Monday that now is not the time to talk about who is responsible in wake of the Tiaoyutai incident on Sunday. The Japanese coast guard's refusal to allow ROC fishing boats to reach the islands is just the beginning of a long dispute over sovereignty. Shao said that ROC has decided to use diplomatic methods to solve this problem. Shao stressed that before the torch of the area games was taken to Tiaoyutai, the government had used an avenue to notify the Japanese Government. Therefore, the ROC protested the Japanese sending helicopters and coast guard boat to prevent the fishing boats from reaching their destination.

Shao noted that the government is convening a special task force which will focus in on the dispute.

**Foreign Ministry Statement**

*OW2310073990 Taipei Domestic Service in Mandarin 2300 GMT 21 Oct 90*

[Text] Chang Hsiao-yen, vice minister of foreign affairs of the Republic of China, made a solemn statement on the Tiaoyutai incident on behalf of the Ministry of Foreign Affairs.

[Words indistinct] [Begin Chang recording] The archipelago of Tiaoyutai is the territory of the Republic of

China. The torch relay group for the Taiwan regional sports meet is a private group. The government supports their effort to relay the torch to the archipelago of Tiaoyutai. We were informed that while the torch relay group was carrying out their business there this morning, they were disturbed by a patrol boat of the Japanese Maritime Safety Agency. The government was very indignant over this incident and has lodged solemn notes to the Japanese authorities through appropriate channels in Taipei and Tokyo, respectively. [end recording]

**Use of Force 'Inopportune'**

*OW2410071890 Taipei Domestic Service in Mandarin  
2300 GMT 22 Oct 90*

[From the "National Hookup" program]

[Text] On 22 October, the Executive Yuan voiced its strong stand on safeguarding our territorial sovereignty over Tiaoyutai in light of the incident in which our athletic torch-carrying team was prevented from reaching the islet by the Japanese Maritime Safety Agency. It also expressed strong protest and dissatisfaction over Japan's unfriendly act of obstructing our effort to send the torch to the islet. The Executive Yuan said the Japanese side will be held responsible for all consequences resulting from this incident.

Meanwhile, the Executive Yuan on 22 October formed a special task force to deal with the Tiaoyutai incident and warned Japan that from now on, it should not obstruct our fishing boats operating in our traditional fishing grounds near the Tiaoyutai. It said the government will take sustained and effective measures to protect the safety of our fishing boats when necessary.

In view of the public outcry throughout the country resulting from the Japanese Maritime Safety Agency's strong obstruction of our athletic torch-carrying team in the Tiaoyutai area, Premier Hao Po-tsun called an emergency meeting of chiefs of ministries and commissions concerned at 0730 on 22 October to discuss further steps to deal with the incident. At another meeting held at 2100 on 22 October, presided over by Premier Hao Po-tsun personally, it was decided that the Ministry of Foreign Affairs would make representations with the Japanese side on the basis of the resolution adopted at the Executive Yuan emergency meeting earlier in the day so as to firmly safeguard our country's sovereignty over the Tiaoyutai. Meanwhile, the government will take action to protect our fishing boats operating in the Tiaoyutai area.

Premier Hao Po-tsun said on 22 October that the torch-carrying boat acted properly in protecting our national sovereignty, and it has been affirmed by the government. However, he added that it is inopportune and infeasible to use force at this time and that the government should take a cool-headed approach to this matter and express its stance in a sober way in the overall interests of our country.

Premier Hao also pointed out that the issue of sovereignty over the Tiaoyutai has been a long-standing question but that our stand has always been firm. The issue will remain a troublesome one until the question of recovering the Chinese mainland is resolved. Nevertheless, he added, at this moment when we are faced with challenges from the outside, all the people in the country, from the top down, should unite as one and join efforts to counter the outside threats regardless of party affiliation.

**Japan as 'Imaginary' Enemy**

*OW2410072090 Taipei Domestic Service in Mandarin  
2300 GMT 22 Oct 90*

[From the "National Hookup" program]

[Text] Defense Minister Chen Li-an stressed at a Legislative Yuan meeting on 22 October: In the past, we did not regard Japan as an imaginary enemy [chia hsiang ti] when deploying our forces. In the future, however, our government will reevaluate the situation and will regard Japan as one of our imaginary enemies for the purpose of protecting our fishing boats in the Tiaoyutai area.

At the 22 October meeting, many legislators repeatedly asked Chen Li-an why the Ministry of National Defense did not send naval vessels to escort the torch-carrying team. In response, Chen Li-an said that the dispatch of escort vessels is an armed action, which should not be rashly taken without instructions from higher authorities. However, he said, from now on Japan will be viewed as an imaginary enemy in order to conduct fishery-protection missions.

Vice Defense Minister Chen Shou-shan said on 22 October: In our country, fishery-protection missions are carried out by the Navy. Since we have yet to reach agreements with our neighboring countries on overlapping economic sea zones and because of our Navy's tasks and its limited force, such missions are conducted mainly around Taiwan and in the Penghu Island area. In other areas, we can only give emergency support based on requirements.

Chen Shou-shan stated this in a written report to the 22 October joint meeting on foreign, defense, and interior affairs of the Legislative Yuan.

**'Strong Dissatisfaction' Expressed**

*OW2410022190 Taipei CNA in English 1536 GMT  
23 Oct 90*

[Text] Taipei, Oct. 23 (CNA)—The Republic of China [ROC] Government Tuesday expressed its "strong dissatisfaction and protest" at Japan's "unfriendly use of force to block two ROC boats carrying an athletic meet-torch from landing on Tiaoyutai Islands Sunday.

The government has voiced its "dissatisfaction and protest" against Japanese military forces driving two Republic of China boats bearing a Taiwan area athletic

meet [words indistinct] away from the island group some 110 nautical miles northeast of Taiwan, Foreign Minister Fredrick Chien said.

He told the Legislative Yuan that the message had been sent to Sinichi Tanai, director of the Taipei office of the Japanese Interchange Association, and Fujio Haraw, president of the association in Tokyo.

The government informed the Japanese that it will strengthen its protection of Republic of China fishermen, and if Japan ever again tries to intervene in their activities, "all the consequences will lie with the Japanese," Chien said.

In the message, the government said that Tiaoyutai is an integral part of the Republic of China territory and that it will resolutely maintain its sovereignty over the islands.

Replying to a question from Democratic Progressive Party Legislator Chiu Len-hui, Chien said the government had also demanded that Japan tear down the lighthouse built on the Tiaoyutai Islands "as soon as possible."

Japan's use of force to stop two ROC boats from landing the torch of the Taiwan area athletic meet on the island group, over which both Taipei and Tokyo claim sovereignty, has aroused widespread protests around the Republic of China.

Lawmakers, students and civilians gathered in front of the interchange association's Taipei office in protest against Japan's "intrusion into the ROC territory" and its hindering the torch-boats.

They chanted anti-Japanese slogans, sang patriotic songs, distributed fliers and read their protest letters before delivering them to Japanese officials.

Some angry citizens pelted eggs and burned Japanese flags to show their indignation.

Sinichi Tanai, receiving a protest letter signed by [word indistinct] legislators, said that he will forward it to his home government.

#### **Fishery Pacts With Japan, USSR Sought**

OW2410014990 Taipei CNA in English 1607 GMT  
23 Oct 90

[Text] Taipei, Oct. 23 (CNA)—The Republic of China [ROC] is seeking to sign fishery cooperation pacts with the Soviet Union and Japan, officials of the Council of Agriculture said today.

The [word indistinct] expect that such actions will minimize fishery disputes and help develop the country's ocean-going fishing industry.

They said the government intends to hold talks with Japanese fishery authorities over the matter on a reciprocal basis.

Under the proposed pact, they noted, neither side will drive out the other fishing boats operating around the disputed Tiaoyutai Islands.

Republic of China fishermen will be allowed to catch fish near Hokkaido and in other Japanese economic zones just as their Japanese counterparts will be given similar privileges near the ROC, they added.

A similar agreement with the Soviet Union should help settle disputes arising from ROC fishing boats being impounded by Soviet authorities on "intrusion" charges, they said.

The Republic of China currently has fishery cooperation agreements with 20 countries including the Philippines and Vietnam, to whom they pay fees for the right to catch fish inside their economic zones.

#### **Government Taking Cautious Attitude to Mainland**

OW2310044190 Taipei CNA in English 0242 GMT  
23 Oct 90

[Text] Taipei, Oct. 23 (CNA)—The Republic of China Government is tending toward a more cautious attitude toward the China mainland after a review of its three-year old policy of opening to the other side of the Taiwan Straits.

Ranking government officials agreed in a meeting Monday that Taipei should not hastily push forward its open-door policy toward the mainland before the Peking regime responds with good intentions, a cabinet spokesman told reporters after the meeting.

The meeting was called by the cabinet Mainland Affairs Task Force to review the Government's mainland policy, which has been gradually easing since late 1987 when Taipei permitted family reunion visits to the other side of the Straits.

The ad hoc Mainland Affairs Task Force will be formally replaced by the Mainland Affairs Council next week.

Liao Cheng-hau, deputy director general of the Government Information Office, told reporters that ranking officials from various government agencies discussed the advantages and disadvantages of the current mainland policy.

"A consensus has been reached that any further steps forward in the open-door policy should be taken cautiously," because the Chinese Communists have so far failed to respond to Taipei with corresponding good intentions, Liao said.

The cabinet task force also decided that mainland laborers will not be allowed to work in Taiwan for the time being because of security considerations and Peking's persisting hostile attitude toward Taiwan, Liao announced.

The cabinet has already given the green light to the entry of alien workers in an effort to ease the labor shortages confronting major domestic construction projects.

**President Li Urges Need To Create 'New Era'**  
*OW2410005490 Taipei CNA in English 1510 GMT  
23 Oct 90*

[Text] Taipei Oct. 23 (CNA)—President Li Teng-hui Tuesday said that the peoples of China should work together to create a new era for the Chinese nation.

To achieve this, the president said, "We must first eradicate Marxist, Leninist, and Communist thought and systems. We must also realize a genuine equity and unity among various peoples." Moreover, he added, "We must reach our goal of unifying the country under the principles of freedom, democracy, and an equitable distribution of wealth."

President Li made his appeal during a Presidential Office reception in which he greeted 82 overseas Mongolian and Tibetan representatives here to attend the Oct. 20-22 World Mongolian and Tibetan Conference.

Li told his guests that the successful conference had laid a new foundation for the unity of the whole Chinese nation by developing many important conclusions.

Delegates to the meeting approved resolutions calling for maintaining of the integrity of the national territory, safeguarding the autonomy of Mongolia and Tibet, improving the well-being of the Mongolian and Tibetan

peoples, and supporting the Republic of China Government's policy toward the China mainland.

The president assured the two minority groups of China that the Republic of China Government, in compliance with the Constitution, will respect their autonomy and protect the culture and status of all frontier peoples in order to make the Chinese nation ever more united, strong, and prosperous.

**Interior Ministry To Handle Repatriations**

*OW2410035190 Taipei Domestic Service in Mandarin  
2300 GMT 20 Oct 90*

[Text] Interior Minister Hsu Shui-teh and National Defense Minister Chen Li-an held a special joint conference with relevant units yesterday [20 October]. They reached a consensus on repatriating mainlanders illegally entering the country.

It was decided that the Ministry of Interior will gradually take over the repatriation task and the Ministry of National Defense will no longer have anything to do with it.

The (Ching Lu), which is under the auspices of the Taiwan Garrison Headquarters, will also be taken over by the National Police Administration. It will be responsible for the detention, interrogation, and repatriation of mainlanders illegally entering the country.

The Ministry of the Interior will draw up, in three months, draft implementation procedures for the Taiwan area concerning the supervision, administration, and repatriation of illegal mainlanders as the legal basis.

### Hong Kong

#### **Leader of PRC Expert Delegation Hospitalized**

*OW2110131790 Beijing XINHUA in English  
1155 GMT 21 Oct 90*

[Text] Hong Kong, Oct 21 (XINHUA)—Zhou Nan, director of the XINHUA News Agency Hong Kong Branch, today went to Queen Mary Hospital here to see leader of the visiting Chinese team of experts Yong Longgui.

The Chinese expert team is here at the invitation of the Hong Kong Government for talks on the construction of a new airport and related projects here.

Yong was hurt while walking down a flight of stairs at the French Mission building in Central on Hong Kong Island on Friday, October 19, after studying a model of Hong Kong's port and airport development plans. He was taken by ambulance to the hospital.

At the hospital this morning, Zhou conveyed to Yong, adviser to the State Planning Commission of China, the best regards from Ji Pengfei, director of the Hong Kong and Macao Affairs Office under the State Council, and leaders of the State Planning Commission.

Zhou expressed the hope that Yong would recover soon.

Zhou also extended his thanks to the hospital doctors and nurses and Hong Kong people from various walks of life who had expressed concern for Yong.

Yong is now in stable condition and recovering continuously after undergoing surgery and treatment at the hospital.

#### **PRC, Taiwan, Hong Kong Accountants Meet**

*OW2310202890 Beijing XINHUA in English  
1611 GMT 23 Oct 90*

[Text] Hong Kong, October 23 (XINHUA)—Representatives of accountancy bodies from the Chinese mainland, Taiwan and Hong Kong have reached a consensus on various accounting issues during their first official meeting here on October 22, a press release said today.

During the meeting, delegates have agreed to exchange laws and rules relating to the accountancy profession as well as accounting publications, and to hold a fixed joint meeting at least once a year.

The next meeting is tentatively scheduled to be held in Beijing in September, 1991.

They also decided to jointly organize a seminar on subjects relating to the accountancy profession as well as the provision of professional services to the investors.

Meanwhile, the Chinese Institute of Certified Public Accountants welcomes its Taiwan counterparts to visit

the mainland in the capacity of individuals, accounts' delegations or visiting groups.

The meeting decided that accountancy bodies from the mainland, Taiwan and Hong Kong may join international accountancy organizations in their individual capacity.

With regard to the question of status, the issue will be further examined in future meetings.

The meeting was attended by 23 delegates representing the Chinese Institute of Certified Public Accountants (CPA), Taiwan provincial CPA Association, Taipei City CPA Association, Kaohsiung City CPA Association and the Hong Kong Society of Accountants.

Hosted by the Hong Kong Society of Accountants, the meeting was organized as a result of increasing financial activities among businessmen in the three areas and for the purpose of establishing a closer tie among their accountancy bodies as well as providing more effectively professional services to the investors.

#### **UK Parliamentary Group Arrives en Route to PRC**

*HK2310015590 Hong Kong SOUTH CHINA MORNING POST in English 23 Oct 90 p 5*

[By Bellette Lee]

[Text] Four British parliamentarians arrived in Hong Kong yesterday to prepare for a 10-day visit to China, where they will discuss the territory's reversion to Chinese sovereignty.

Leader of the team, Sir Peter Blaker, said they would act as "a bridge of communication" with China before the visit of the Foreign Secretary, Mr Douglas Hurd.

Details of Mr Hurd's trip have yet to be announced but he will be the highest ranking British official to visit Beijing since the Tiananmen Square massacre on June 4 last year.

Sir Peter said the team would solicit Beijing's views on Hong Kong's future after 1997 and the territory's development during the transition period.

Acknowledging that Sino-British relations in the past months had been poor, Sir Peter said he hoped there could be steady improvement.

Sir David Steel, the Liberal Democrats' foreign affairs spokesman, said British sanctions against China imposed after the Beijing massacre were bound to be eased.

But he said decisions about lifting embargoes against China would rest with the European Community.

He conceded there were conflicts of principles between condemning the Chinese authorities' brutality and fostering a smooth transition for Hong Kong.

"There is the deep concern which we all have for human rights in China. If you cut off normal relationship with mainland China, that is not going to help people in Hong Kong," he said.

The delegation will visit Beijing, Shanghai and Guangzhou after a three-day stopover in Hong Kong.

Sir David said they would discuss with Beijing officials topics such as the proposed Bill of Rights, the British nationality package and the \$127 billion port and airport project.

"We believe the project is in the long-term interests of Hong Kong, regardless of the political change that is going to take place. Having a more adequate airport and port will put the territory in very good state," he said.

A Labour MP, Mr Frank Haynes, said they would try to meet all sectors of the Hong Kong community during their brief stay to get a better understanding of their feelings.

The team, which also includes Conservative Mr Roger Sims, will meet the Director of Administration, Mr Donald Tsang Yam-kuen, and visit a Vietnamese refugee centre today.

They will have separate sessions with Legislative Councillors and leaders of the liberal political group, Meeting Point, in the afternoon.

#### Students Demonstrate at Japanese Consulate

OW2310122090 Tokyo KYODO in English 0858 GMT  
23 Oct 90

[Text] Hong Kong, Oct. 23 KYODO—Around 200 Hong Kong students demonstrated outside the Japanese Consulate General here Tuesday morning in the third day of protests over Japanese claims to disputed islands in the East China Sea.

The demonstrators presented a letter to consulate officials calling for the removal of the Japanese flag from the islands. The uninhabited islands, known as Senkaku in Japan and Diaoyutai in China [as received] and Taiwan, are claimed by Japan, China, and Taiwan.

The demonstration, organized by a student group called the Coalition of Patriotic Youth Defending the Diaoyutai, took place peacefully.

The wave of protests came after Japanese patrol boats prevented two Taiwanese fishing boats from approaching the islands Sunday.

Further Hong Kong protests are planned later in the week, including a major rally Sunday, according to spokesmen from student and other civic organizations in the territory.

#### Macao

##### Telephone Bugging Allegation Denied

HK2210021590 Hong Kong HONGKONG STANDARD  
in English 22 Oct 90 p 3

[By Harald Bruning in Macao]

[Text] A row over allegations of telephone bugging erupted in Macao at the weekend.

The respected weekly COMERCIO DE MACAU on Saturday published a front-page report saying: "The telephones of the Government Palace, of the residences of the government, of some media companies, of certain government departments and private enterprises, and of various private houses are being bugged without authorisation of any judge.

"Some under secretaries contacted on Friday night about the telephone bugging matter did not want to make any statement on the question, but admitted that they knew about rumours over the existence of telephone bugging.

"The whole telephone bugging system installed in the time of Governor Almeida e Costa has now been reactivated, after the recent arrival in Macao of two military men who are specialised in the field of tapping telephones."

Rear-admiral Almeida e Costa was governor of Macao from 1981 to 1986.

The telephone bugging "is carried out permanently as regards some numbers, while it is carried out by rotation regarding other telephone numbers", the paper said.

The Macao government's undersecretary for security, Brigadier Tome Falcao "categorically denied" the claims.

"The Macao Security Forces guarantee the population that they do not have any bugging system at their disposal, nor is foreseen the acquisition of any material for the aforesaid purposes," he said.

Macao's Chief Public Prosecutor, Dr Leal Carvalho, said that he would not exclude the possibility of a judicial inquiry into the issue.

Judicial sources said that telephone bugging without proper authorisation by a judge was unconstitutional and "absolutely illegal".

Portuguese Army Chief of Staff, General Firmino Miguel, left the enclave on Saturday, after a five-day private visit.

##### Nabo Optimistic on Textile Talks With U.S.

HK2210020390 Hong Kong HONGKONG STANDARD  
(BUSINESS STANDARD) in English 22 Oct 90 p 1

[By Harald Bruning in Macao]

[Text] Macao may be able to reach a textile agreement with the United States this year but it will be difficult, the acting governor believes.

Francisco Nabo, under-secretary of economic affairs, said Macao did not accept the U.S. reasoning that quotas should be cut without evidence that there was fraudulent trade between the enclave and the U.S.

"As long as transshipments have not been proved, we do not accept cuts in quotas," Mr Nabo said.

"The issue is that Americans say there exist transshipments from Macao, but the Americans have to prove it," he said.

Mr Nabo on Friday met Richard Williams, the U.S. consul-general to Hong Kong, whose responsibilities include Macao.

The two sides reached no agreement but have agreed to hold technical meetings—but not formal negotiations—on the issue in Macao.

"Despite everything I am optimistic that we can reach an agreement on the issue," Mr Nabo said.

"However, the positions on the issue between the two sides are very divergent."

The U.S. accused Macao this month of exporting Chinese-made garments, mainly knitwear, with phony made-in-Macao labels.

That would violate a U.S.-Macao trade deal, and the U.S. could revoke the deal by January 1. This could end up squeezing textile shipments from Macao.

The U.S. has not shown Macao any evidence of the shipments but is investigating the matter.

Nr Nabo said the U.S. wanted existing quotas cut before a new agreement to take effect on January 1, 1992, was negotiated.

"We think that cuts in existing quotas must be based on legal reasons, on evidence, but we have so far not received any evidence from the Americans about the allegations of transshipments," he said.

U.S. Trade Representative Carla Hills said last week during a video linkup from Washington that it would take punitive action if fraud was proved.

"If there is a fraud on our Customs procedures, appropriate action will have to be taken," she said.

The Macao government is also investigating the allegations and has taken steps to ensure suspect goods are not brought into the enclave.

It has set up a checkpoint to inspect one to four per cent of the trucks from China and has implemented controls on the textile industry.

#### Priority Given to Transition Period Affairs

*OW1910181390 Beijing XINHUA in English  
1036 GMT 19 Oct 90*

[Text] Macao, October 19 (XINHUA)—The Macao Government will give priority to affairs relating to the transitional period of the territory, acting Governor Francisco Murteira Nabo said on Thursday.

At a press conference here, the acting governor said the Macao Government has always maintained good relations with China, which will be conducive to the implementation of the Sino-Portuguese Joint Declaration on Macao Question.

Referring to the government's policies and guidelines in the coming months, he said the Macao Government has decided to set up a committee for transitional period affairs chaired by the acting governor himself.

The committee will be composed of officials from the political affairs department, legislative council members and public figures.

Besides, a research and planning office for transitional period affairs under the political affairs department will also be established, which will present working plans and suggestions to the Macao Government.

#### Basic Law Publicity Drive Launched

*OW2010210590 Beijing XINHUA in English  
1513 GMT 20 Oct 90*

[Text] Macao, October 20 (XINHUA)—A publicity drive has begun in Macao to make its people know more about the Sino-Portuguese Joint Declaration and about the drafting work of the basic law of the future Macao Special Administrative Region.

These activities, which were decided on by the Macao Basic Law Consultative Committee here recently, are to last from October this year to April next year. They include evening parties, roving exhibitions, quiz games on elementary knowledge of the basic law, and art and essay competitions on the theme.

The campaign aims at arousing more local people to care about the basic law drafting and involve actively in the consultative activities.

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